WORLD AGRICULTURAL Situation

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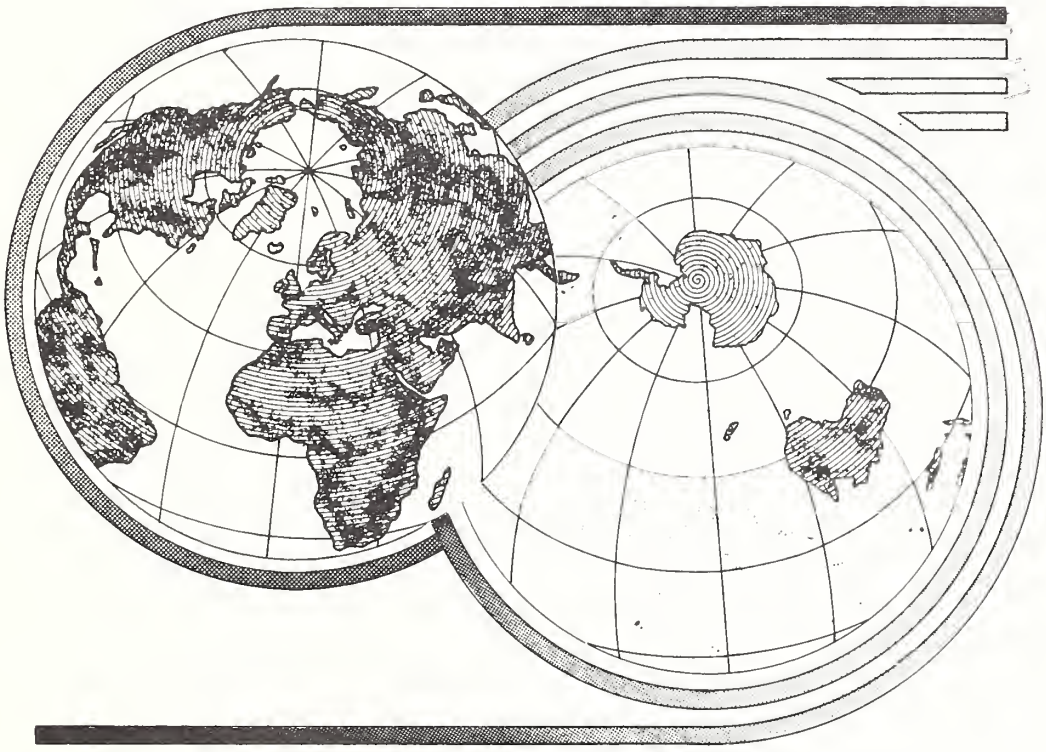

APPROVED BY THE WORLD FOOD AND AGRICULTURAL OUTLOOK AND SITUATION BOARD

ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE

UNITED STATES DEPARTMENT OF AGRICULTURE

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THE WORLD AGRICULTURAL SITUATION

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SUMMARY

The world enters the 1978/79 crop year with near-record grain stocks. Wheat stocks, while down about 10 percent from 1977/78, are still ample and coarse grains stand at their highest level since 1970. Stocks continue heavily concentrated in the United States which holds nearly two-fifths of both world wheat and coarse grain stocks. Significant increases have been reported in some developing countries, particularly India.

Early season forecasts for 1978/79 grain production highlight the critical role of weather and other uncertainties. With worldwide weather expected to be favorable, another sizeable buildup in already substantial world grain stocks could occur. However, unfavorable weather could still draw down stocks to levels comparable to those in 1973-75.

Despite near-record world grain harvests in 1977/78, record consumption and trade levels, coupled with the effects of reserve and loan programs in the United States, have contributed to a substantial recovery in world wheat and corn prices that are reflected in U.S. export prices for these commodities reaching their highest level in more than 2 years. World trade prices for cotton and soybeans and soybean products have also shown strength since last fall.

After a slow start, the pace of U.S. farm exports picked up this spring and a new record is expected in fiscal 1978, substantially exceeding fiscal 1977's $24 billion, based largely on larger shipments of wheat, soybeans, oilseed products, and cotton. Foreign demand for U.S. farm products should be strengthened by an expected slightly faster rate of economic growth this year in the developed countries.

World meal and vegetable oil supplies have increased substantially in 1978, although not as much as forecast earlier. Continuing strong growth in meal consumption, together with the drought-induced shortfall in the Brazilian soybean crop,

Note: Unless stated otherwise, split years (e.g., 1977/78 mean July/June. Fiscal 1978 means October 1977/September 1978. Tons are metric and dollars are U.S. unless otherwise specified.

should help maintain strong prices for soybeans throughout 1978.

Meat production in the world's major commercial markets is likely to hold steady in 1978. Nevertheless, the decline since 1975 in U.S. cattle and calf inventories presages reduced levels of U.S. beef production in the next few years—including an expected 3 to 5 percent decline in 1978—that is already being reflected in higher U.S. meat prices and larger imports. The European Community (EC) is expected to increase meat output slightly in 1978, with a consequent rise in intervention stocks and a reduction in imports. But Australia, a major beef exporter, is reducing herds, cutting its ability to maintain shipments.

World sugar production in 1977/78 is again expected to reach a record high that will exceed its consumption and add abundantly to stocks with a depressing effect on worldwide sugar prices. Such prices, which remain below the 11-cent minimum of the International Sugar Agreement (ISA), have apparently influenced the EC in the decision to seek special status under the ISA after having first declined to join the pact. Several key countries, including the United States, still must ratify or pass implementing legislation before the stocking arrangements of the ISA can become fully operable.

The world coffee crop is forecast to increase further in 1978/79, with two-fifths of the expected 9-percent increase accounted for by continuing Brazilian recovery from the 1976 frost. Although prices for green coffee have fallen to less than one-half of their April 1977 peak of $3.34, the reduction has not yet been fully translated into lower retail prices.

After two seasons of decline, world cotton stocks are expected to show an increase at the beginning of 1978/79. The rise in stocks occurred because of an increase in production in 1977/78, and a slight decrease in consumption was constrained by slow world economic growth, inflation, and sharp competition from manmade fibers. Although some improvement in prices at planting time may have moderated the reduction, reduced U.S. and foreign plantings suggest a lessening in 1978/79 cotton output. Moderate growth in usage should help maintain or raise trade from 1977/78 levels.

FASTER WORLD ECONOMIC GROWTH EXPECTED IN 1978

The developed countries are expected to grow slightly faster in 1978 than they did in 1977—from 3.7 to 4.0 percent for the group—according to International Monetary Fund estimates (table 1). The salient aspects of these expectations are: (1) except for the United States, growth rates in these countries continue to be below past trends; (2) there is much less disparity than a year earlier in growth rates among the developed countries; (3) the United States is expected to grow less rapidly than it did last year and closer to the rates experienced by the others in the group; (4) inflation rates are declining except for the United States.

Last year, the real Gross National Product of 13 major developed countries grew at an average 2.5 percent while real growth in the United States increased by 4.9 percent. This difference in output affected aggregate demand and contributed to the large U.S. trade imbalance. Import demand, affected by low growth rates in these foreign countries, was not as buoyant as it was in the United States. As a result, the U.S. merchandise trade deficit in 1977 reached a record high of $31.5 billion. This factor contributed significantly to the decline of the dollar and to uncertainty in exchange markets.

So far this year, however, some of the cautious policies initiated by the major industrial countries appear to have succeeded. Real GNP in Western European countries is forecast to increase from 2.1 to 2.7 percent this year, and Canada's and Japan's growth rates are forecast higher also. Even though these rates will still be below past trends, they will be a lot closer to U.S. growth and should contribute to a more stable outlook for the dollar.

Despite sluggish growth, inflation rates in all major countries are still higher than past trends, except for Japan and Germany (table 2). Inflation rates are forecast to be lower in 1978 than in 1977, except for the United States. At the same time, unemployment rates in industrial countries, excluding the United States, are about the same or higher than in the recession year of 1975. The gap between actual and potential output in manufacturing continues to be substantial (table 3). These two indicators do not suggest a reoccurrence of high inflation rates this year.

The economies of non-oil producing developing countries are expected to grow at about 5 percent in 1978 versus 4.7 percent in 1977. This is at least one percentage point below past trends. Inflation continues to be virulent in all regions of the group except for Asia. In addition, recent adverse terms of trade in these countries are expected to continue. Nevertheless, while the current account deficit in non-OPEC (Organization of Oil Exporting Coun-

tries)developing countries is projected at $30 billion in 1978 versus $22 billion in 1977, these countries are not expected to require any increase in the net inflow of borrowed funds. Some countries in this group continue to have serious deficit adjustment problems.

Economic events in the developed countries directly influence the demand for imported oil. The cessation of the buildup of oil reserves in the developed countries, the moderation of growth in their overall demand, and the start of North Sea oil production have all contributed to the virtual stagnation of oil production in the OPEC countries. Overall growth is estimated to have declined to less than 7 percent in 1977 and is projected to fall to about 5 percent this year. Inflation continues to subside in the OPEC countries although it is still quite high—over 10 percent. The current account surplus of the OPEC countries is projected to narrow by $12 billion to $23 billion in 1978.

The Eastern European countries continue to face substantial debt problems with hard currency countries, stemming from policies to increase imports to raise the standard of living. A further deterioration of the Eastern European debt position is expected during 1978. However, these countries have a good repayment record. They may eventually be forced to take remedial actions to prevent further deterioration of their debt position, but the timing of such actions is not predictable.

The volume of world trade in all commodities is expected to increase only about 5 percent in 1978, the same as in 1977. The OPEC countries are expected to be slightly above this level. World trade prices are expected to increase only moderately.

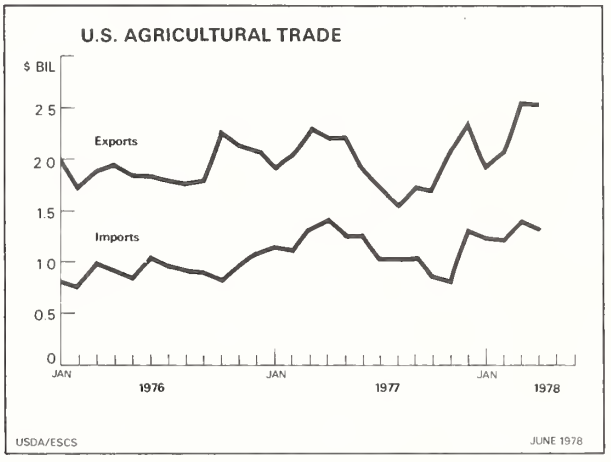
In April and May, the U.S. dollar strengthened slightly against most other major currencies (table 4). Several factors have contributed to this appreciation, including higher interest rates in the United States, indications that OPEC will not raise oil prices this year, and an inflow of investment capital from abroad in response to a more favorable stock market. (*A. Vellianitis-Fidas*, 202-447-7590)

U.S. AGRICULTURAL TRADE[1]

U.S. Farm Exports Rising

After a slow start last fall, the pace of U.S. farm exports picked up this spring. Monthly exports broke through the $2.5-billion mark during March and again in April. U.S. agricultural exports totaled $15.1 billion for the first 7 months of fiscal 1978, marginally above a year earlier (table 5). Export tonnage rose 6 percent but unit values averaged lower.

Most of the volume increase is due to expanded shipments of wheat, soybeans, and oilseed products (table 6). Cotton exports were up 19 percent in volume. Feed grain and rice exports were below year-earlier levels during October-April.



Fiscal 1978 Exports Up $1-2 Billion

U.S. agricultural exports are expected to set a new record this season, surpassing substantially the fiscal 1977 record of $24 billion. Export volume is likely to increase more than a tenth.

Expanding wheat shipments make up much of the volume increases. The recovery in wheat exports is largely due to heavy shipments to Latin America, exports to the USSR, and the resumption of sales to the People's Republic of China (PRC). Larger shipments are being made also to North Africa, and Western Europe.

Soybean exports will reach a record high in fiscal 1978. Substantial increases are expected in shipments to Europe, Japan, East Asia, and Latin America. Oilmeal and vegetable oil exports are expected to rise about a fifth in volume.

An increase of around one-quarter is anticipated for U.S. cotton exports in fiscal 1978. The PRC is

[1]This section is based on a more detailed discussion contained in the *Outlook for U.S. Agricultural Exports*, May 18, 1978, published by the Economics, Statistics, and Cooperatives Service and the Foreign Agricultural Service.

importing U.S. cotton again this year, and shipments will be up to South Korea, Taiwan, Canada, Spain, Portugal, and possibly Japan.

Feed grain export volume may expand slightly in fiscal 1978 as larger shipments to the USSR and Eastern Europe offset the dropoff in shipments to the European Community (EC).

The export value of animal products will be boosted by larger shipments of poultry products, beef, and tallow and higher unit values for hides. Exports of fruits and nuts are up sharply this year, but vegetable exports have fallen off. U.S. tobacco exports may also be lower in fiscal 1978.

Agricultural Imports Still Growing

U.S. agricultural imports were up 4 percent during October-April (table 7). Volume increases were recorded for several commodities, including meats, tobacco, wines, and malt liquors (table 8). Sugar imports were up last fall in anticipation of higher U.S. duties. Fruit and vegetable imports were up significantly during October-April.

Imports of green and processed coffee declined 21 percent in quantity and 16 percent in value. Imports of cocoa beans and products declined 4 percent in volume, but the value rose 67 percent.

Fiscal 1978 U.S. agricultural imports are forecast at $13.5 billion, marginally above last year. Volume and value increases are expected for imports of meat, tobacco, wine, fruits, and vegetables. Sugar and vegetable oil imports will be lower for the full year. The voluntary quota for beef imports into the United States in calendar 1978 has been enlarged 7 percent (91,000 tons); this increase should boost imports in the remaining months of fiscal 1978. A 5-percent volume decline is expected for coffee imports. Lower import volume of cocoa will be offset by higher prices. (*Sally Breedlove Byrne*, 202-447-8260)

WORLD PRICE DEVELOPMENTS

International commodity prices are again coming into the foreground as prices of key commodities have stimulated fears of inflation.

In May, U.S. wheat and corn export prices were at their highest levels in more than 2 years as import demand for these commodities strengthened. Beef has become the most recent commodity to experience sharp price hikes because of declining world supplies. Export prices for U.S. wheat, corn, and rice, and U.S. import prices for beef and rubber have all been on the upswing and are currently higher than a year earlier. U.S. export prices for cotton, soybean and soybean products have shown strength recently, but remain lower than a year earlier. These price increases have more than offset the downslide in prices of imported sugar, coffee, and, very recently, cocoa beans that have resulted from larger crop supplies, so that average commodity prices are higher than a year earlier.

Farm Commodity Prices

U.S. farm product prices continued on the upswing through May for the eight consecutive month. Cattle, hogs, and soybeans have made notable price increases in recent months. Compared with a year ago, rice and beef cattle have experienced the most dramatic price hikes, although cattle prices dropped in late May and June. Despite their recent recovery, soybean prices are still sharply below their unusually high level of a year ago. Wheat, corn, grain sorghum, hay, and tobacco prices have all risen from a year ago, while prices for oats, barley, and cotton are lower.

During the first quarter of 1978, when U.S. farm level prices were advancing, Japanese farm product prices declined slightly (table 9). Japanese broiler and egg prices dropped sharply. The decline in Japanese prices at the farm level, and the increase in potato prices, are contrary to the price movements that prevailed for these commodies in the United States and most of the EC.

For the entire EC, farm prices rose less than 1 percent from the fourth quarter of 1976 to the fourth quarter of 1977, but farm prices in Italy and Ireland rose significantly. In West Germany, Belgium, and the United Kingdom, prices declined. Through the fourth quarter, the sharp decline in potato and barley prices, resulting from the recovery in 1977 production, had a restraining effect on farm level prices. Wheat, beef, pork, and milk prices have generally risen throughout the EC.

In May, terminal markets for livestock showed significant price increases from a year earlier in Italy, Belgium, Ireland, and the United Kingdom, and slight increases in West Germany, Belgium, and the Netherlands. But none of these countries has experienced wholesale cattle price increases of the magnitude which occurred in the first half of the year in the United States. Australian and Argentine market beef prices are also strengthening.

Rising cattle and hog prices are the driving force in bolstering the Canadian farm price index. First quarter 1978 Canadian farm product prices were up 4 percent from a year earlier.

Prices Paid by Farmers

In May, U.S. farm input prices were again sharply on the upswing, but, compared with a year earlier, input prices were outweighed by larger increases made by prices received for livestock and crops. Livestock feed prices have remained steady in recent months and are well below last year's level. As a result, livestock-feed price ratios have recently improved throughout the livestock sector as livestock prices have risen. The fast increase in feeder livestock prices may, however, cut into the improved profitability of livestock enterprises.

Declines in feed prices also occurred in Japan and Western Europe during late 1977 and early 1978. Japanese, West German, and the United Kingdom livestock-feed price ratios also improved from a year earlier—particularly for cattle and hogs. The poultry and egg industries in these countries benefited less from lower feed prices because broiler and egg prices declined. Declines in barley and soybean meal prices in Western Europe have been largely responsible for the overall decline in feed costs.

Through February, Japanese farm input costs were nearly the same as they were a year earlier (table 10). Canada has also experienced sharply rising feeder livestock prices and declining feed prices.

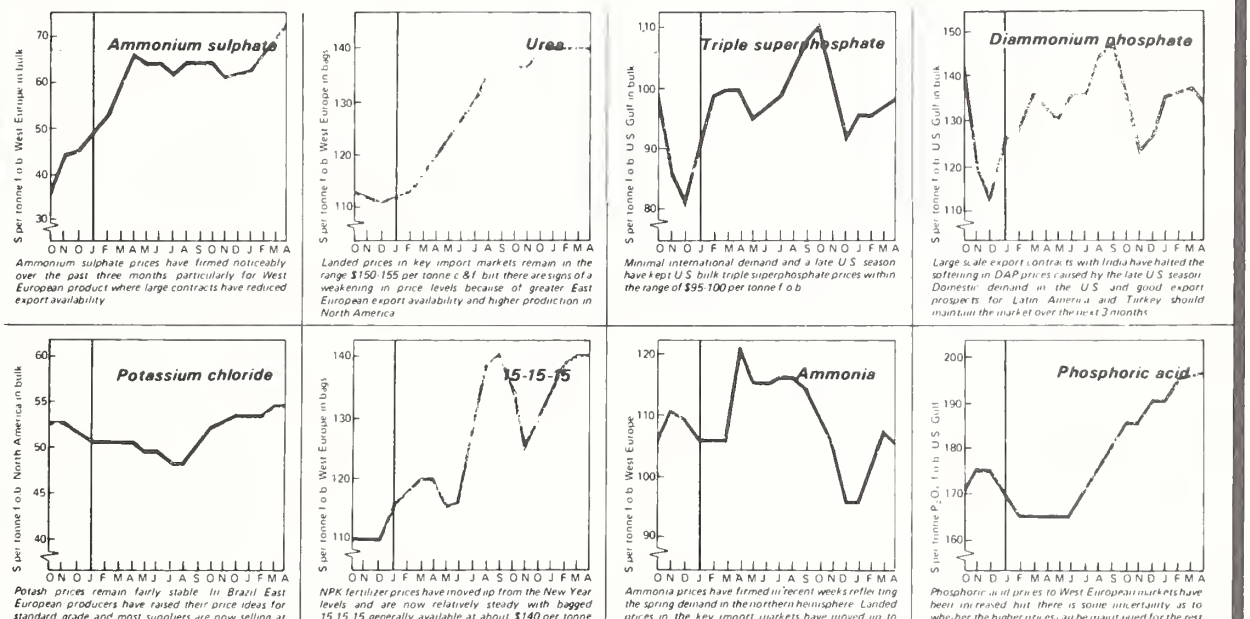
Export and Import Price

Export and import unit values necessarily lag behind farm and foreign trade price quotations. As a result, the recent rise in such prices—for example—for wheat and corn, and declines for coffee, sugar, and cocoa beans have not yet been fully reflected in export and import unit values (table 11).

In recent months, prices of nearly all of the major U.S. export commodities were on the upswing. Nevertheless, in the first quarter of 1978, the U.S. export unit value index was 9 percent lower than it was a year earlier, as lower unit values for wheat, corn, soybeans, soybean meal, and cotton outweighed the effect of higher unit values for soybean oil, rice, and tobacco.

The index of import unit values in the first quarter was nearly 11 percent above a year earlier. Coffee import unit values have been declining from their peak last July, but remained above the year-earlier level in the first quarter. Beef and veal, canned ham, rubber, and wine import unit values,

RECENT INTERNATIONAL PRICE TRENDS FOR PRINCIPAL FERTILIZERS



SOURCE: BRITISH SULPHUR CORPORATION, FERTILIZER INTERNATIONAL, NO. 107, MAY 1978, p 2.

however, have recently strengthened. The import unit value for cocoa beans has been declining in recent months, but in the first quarter was higher than it was a year earlier.

For most of these commodities, export and import unit values in Japan, West Germany, and Canada have generally moved in the same direction as U.S. trade prices, but there were notable exceptions. The West German quarterly import unit values for coffee and cocoa beans were already on the decline while Canadian, Japanese, and U.S. import unit values for these commodities were still higher than they were a year earlier. Timing of the purchases and appreciation of the West German mark are probably responsible for the divergence in these countries' import prices on those particular commodities.

Both Canadian export and Japanese import unit values for beef have already shown considerable strength.

Consumer Food Prices

The sharp climb in beef and fresh vegetable prices and the moderate increase in pork, poultry, dairy product, sugar, and fats and oil prices drove the April U.S. Consumer Price Index for food to a level around 8 percent higher than a year earlier, as higher farm and import prices and marketing charges were transmitted through the marketing systems.

In late 1977, the U.S. Consumer Price Index for food moderated. From the fourth quarter of 1976 to the fourth quarter of 1977, only a few countries had smaller increases in food prices than the United States, including Austria, Belgium, West Germany, Sri Lanka and most Eastern European countries (table 12). These very same countries have held down food price increases through the 1970's largely through the operation of food price control polices (table 13). (*Christine Collins*, 202-447-9160)

HIGHER PRICES IN THE GRAINS COMPLEX

The 1977/78 world grain situation is characterized by large beginning stocks, near-record harvests, record trade levels, record consumption levels, and a slight buildup in ending stocks. Most of the stock buildup was in the United States. Early season prices reflected the abundance of supplies. However, high import levels coupled with participation in U.S. loan and reserve programs provided significant strength to U.S. and world prices during the second half of the crop year.

Except for a slight drop during the early months of 1977/78 (July-June) grain prices have tended to increase (table 14). International wheat prices, which responded to heavy trade volume and farmer participation in the U.S. reserve system, increased more than one-third during the year. Prices for coarse grains, as represented by corn prices, moved from $96 per ton in July 1977 to $123 in mid-June 1978, an increase of 28 percent.

Patterns of change for international rice prices were much more drastic than those for either wheat or corn. In July 1977, rice was priced (Thailand) at roughly $272 per ton. That price largely held into October, but news of the poor Indonesia crop pushed prices upward, so that by the end of 1977 rice prices were nearly $50 higher. Later news of export limitations by Thailand and a poor Malaysian rice crop added further strength to the market.

Outlook for 1978/79

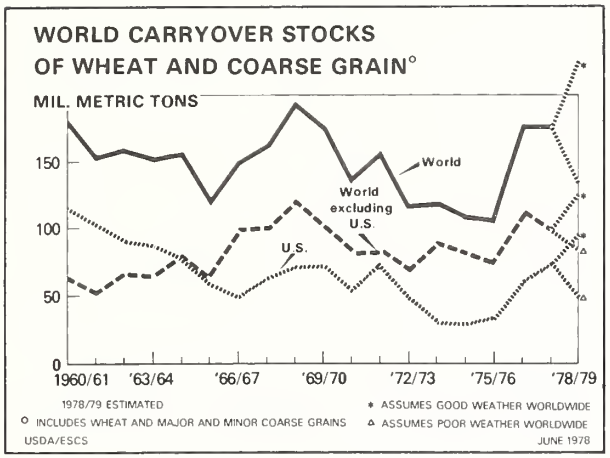
Beginning Stocks

Based on current production and utilization estimates for 1977/78 beginning stocks of all grains are expected to be up slightly in 1978/79, perhaps 3 million tons above the 193-million-ton level of a year earlier.

World wheat stocks are expected to total 89 million tons by the start of 1978/79, down 10 million tons from 1977/78. Current estimates indicate that at the start of the 1978/79 wheat year, the United States will be holding 37 percent of world wheat stocks. Canada will hold about 13 percent, Australia less than 1 percent, and the EC about 8 percent.

Although the USSR is expected to have lower levels of coarse grain stocks at the beginning of 1978/79, world coarse grain stocks are expected to be roughly 85 million tons, the highest stock levels since 1970 and about 9 million tons above year-earlier levels. Increases are expected in the United States where stocks may reach about 44 million tons—accounting for over 50 percent of the world total by the start of 1978/79. The United States held 30 million tons, 39 percent of the world total in 1977/78.

After declining in 1977/78, stocks of rice should be higher at the beginning of 1978/79 primarily because of an estimated 1.3-million-ton increase in



Japan. Following 2 years of buildups, U.S. rice stocks should drop substantially, reflecting record U.S. sales and a sharp decline in harvested area and production.

Following high export levels and a poorer harvest, rice stocks in Thailand at the start of their 1978/79 season are forecast at 200,000 tons, less than a third of levels common in recent years.

Production and Consumption

In most countries of the Northern Hemisphere, spring grain plantings were delayed by cool wet weather. Planting delays of up to 2 weeks were reported. Hard hit were the U.S. corn belt, the Canadian prairie provinces, much of both East and West Europe and the Soviet Union. However, as of early June these delays had been overcome, but their effect on yields had not been fully assessed. Outside of this problem, and a drought in North China, weather conditions thus far have been generally favorable for development of 1978/79 crops. In particular, India and Turkey are expected to harvest near-record wheat crops which would enable exports from both countries. Wheat production in other South Asia and North Africa-Middle East countries also is expected to be good.

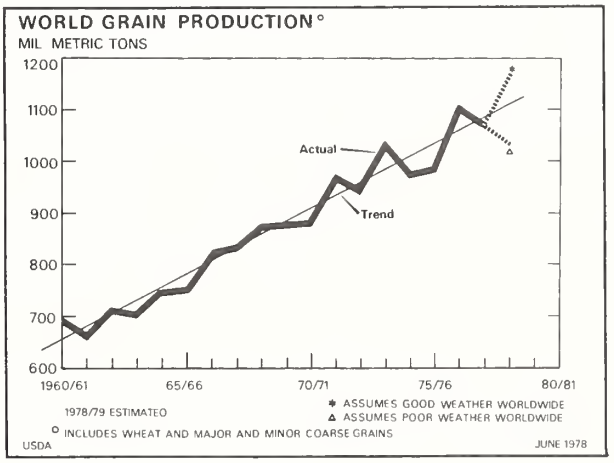
However, future weather is an unknown factor that will affect 1978/79 production, trade, and consumption. Thus, if one assumes generally favorable growing conditions worldwide, substantial increases in world production would occur. Non-U.S. production of wheat and coarse grains could rise as much as a tenth above 1977/78 levels. Under the same conditions, U.S. production would be up only 2 or 3 percent, since current farm programs are likely to induce significant reductions in plantings of wheat and could affect coarse grains. World production increases of that magnitude are unlikely to be matched by growth in utilization, and a sizeable buildup in global stocks would be expected. Season average prices for the year under such conditions would also be expected to decline from current levels.

If world growing conditions were to be generally unfavorable for crop production, then there would be upward pressure on prices as stocks were drawn down. With reduced plantings and unfavorable weather, U.S. production of wheat and coarse grains could drop 40 million tons—more than 15 percent from 1977 levels. The same conditions might cause non-U.S. production to approximate 1977/78 levels. Under these conditions, even with no growth in world utilization, world grain stocks would be drawn down sharply to levels comparable to 1973-75.

Recap of 1977/78

Production

Small reductions in area harvested and adverse weather in several major producing areas kept total 1977/78 grain production—wheat, coarse grain, and rough rice—to 1,434 million tons or marginally below the record 1,464 million tons reported in 1976/77 (table 15). World wheat production is estimated at 382 million tons, down from 416 million tons in 1976/77 (table 16). Coarse grain production declines were less severe, dropping only 10 million tons from the 700-million-ton-level of 1976/77 (table 17). World rice production is expected to reach a record 362 million tons on a rough basis—(244 million tons milled) in 1977/78—up 13 million tons from last year and nearly 2 million tons more than the record 1975/76 crop (table 18).



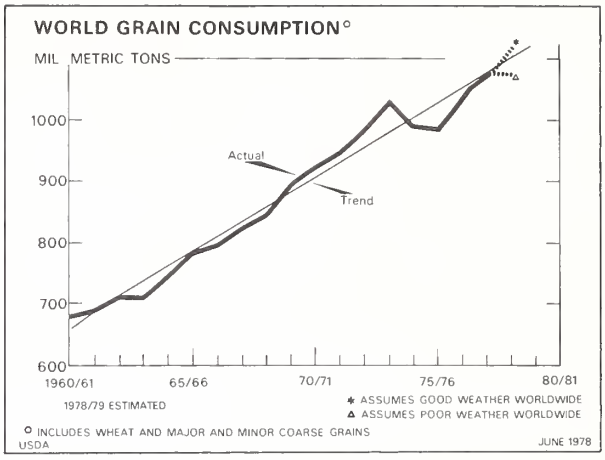
Contributing to smaller output in 1977/78 was a 1-percent decline (some 5 million hectares) in harvested area from 1976/77. This compares with

long-term trend growth of 1 to 2 percent or 10 million hectares per year. The largest reductions in the developed countries were in the United States and Canada—down 2 and 5 percent, respectively. Argentina and Brazil had the largest reductions among the developing countries. The increase in area in the centrally planned countries was smaller than in recent years. Weaker producer price incentives and higher abandonment due to adverse weather seem to have generated the area reductions. The large area reductions were reported in wheat, while area in coarse grains continued at about 1976/77 levels, and area in rice increased at about the trend rate of growth of 2 million hectares per year to a new all time high.

A weather-related declines in yield was the major factor in reduced grain production in 1977/78. During the season, unfavorable weather—generally drought—was reported in the Soviet Union, Australia, Argentina, Brazil, Mediterranean countries, South Africa, Thailand, Indonesia, and Malaysia. The decrease in output was largest in the Soviet Union, where grain output (including pulses) dropped to about 195 million tons from the 1976/77 record 225 million tons. Despite these weather related production problems, aggregate world yields fell less than 2 percent from the 1976/77 record. Some of the effect of adverse weather on yields was offset by continued growth in fertilizer use.

Consumption

Total world grain consumption may reach 1,314 million tons (wheat, milled rice, and coarse grains) in 1977/78, up from 1,290 million tons in 1976/77 for a second straight year of record usage. Continued growth in demand for feed, however, accounts for about four-fifths of the increase. Even in the developing countries where consumption increases are expected to be about 9 million tons, feed usage is expected to account for over 2 million tons. Despite record usage, however, consumption



is still likely to be below the 1960-1976 extrapolated trend.

Trade

World trade in grains in 1977/78 is expected to exceed 175 million tons—roughly 10 million tons above the level of the 2 previous years. Increased wheat and coarse grain import demand in the USSR, the PRC, and—to a lesser extent—Poland, Pakistan, and several of the Western European countries is likely to push both wheat and coarse grain trade to 77-million-ton and 89-million-ton records, respectively.

World rice trade in calendar 1977 hit a record 10 million tons, compared with a 8.4-million ton level in 1976. Trade in calendar 1978 is expected to approximate the 1976 level. On the import side, growing demand and drought-reduced production in Indonesia pushed up world rice trade and allowed both Thailand and the United States to export record quantities in calendar 1977. However, excellent rice crops of some traditional importers such as Korea, Taiwan, and India will limit their imports during calendar 1978. (*Arthur L. Coffing*, 202-447-9160)

MEAL AND VEGETABLE OIL SUPPLIES TO EASE

Production

The tight meal and oil supply situation is forecast to ease in 1978.[2] World production of oilmeals is expected to rise 16 percent to 77 million tons (44-percent soybean meal equivalent) and edible vegetable oils to 34.8 million tons from 30.9 million tons in 1977 (tables 19 and 20).

Despite the improvement in aggregate world production, there have been some serious crop shortfalls. The Brazilian 1978 soybean crop is now forecast in a range of 9.7 to 10.2 million tons, compared with 12.2 million in 1977, as a result of an unusually severe drought. This is the first time in 10 years that Brazilian soybean production has not been above the previous year. As a result of this

[2]Production of oilmeal and oil reported for the calendar year 1978 corresponds to oilseed crops harvested in 1978 in the Southern Hemisphere, and in 1977 in the Northern Hemisphere.

shortfall, Brazilian exports of soybeans will likely be restricted to 700,000 to 800,000 tons in an effort to maintain crushing capacity. Thus, Brazilian export supplies of meal and oil probably will not be reduced significantly over the remainder of the calendar year.

Senegalese peanut production has been seriously reduced by drought and disease. The crop is currently forecast at about 600,000 tons down, from 1.2 million tons last year. Thus, Senegal will have minimal peanut and product exports in 1978. Nigerian peanut production continues to be below the levels preceding 1974. The Peruvian anchovy catch in 1978 is not expected to recover from last year's low level. In addition, Peru has purchased large quantities of soybeans and oil for domestic use.

Crops in several regions did not achieve earlier expectations, although they are still above the previous year. The Soviet 1977 sunflower crop, originally forecast between 6.0 and 6.5 million tons, was 5.9 million tons, or only 600,000 tons above 1976. The 1977 Indian peanut crop is currently estimated at 5.5 million tons—200,000 tons above 1976—but considerably below the early forecast of 6.0 to 6.5 million tons. The downward revision was caused by heavy rains during December. As a result of the reduced peanut crop, India has been a strong market for palm oil and U.S. soybean oil. In addition, India maintains a restrictive export policy on peanuts and products. Philippine coconut oil production is expected to be above last year's low, but still below the 1976 level.

But some countries improved their output considerably this year. U.S. production of soybeans is up nearly one third. Canadian rapeseed production has more than doubled from .8 million tons to 1.8 million—nearly 300,000 ton above the early forecast. Despite some problems in the peanut and sunflower crops due to excessive rainfall, Argentina has experienced a good year in a major oilseed crop, soybeans. Argentine soybean production is estimated 2.2 million tons this year—500,000 tons above the early forecast and 57 percent above last year's 1.4-million-ton crop. Thus, soybean exports could exceed 1.3 million metric tons compared with only 600,000 tons in 1977. Malaysian palm oil production is expected to continue to increase by about 200 thousand metric tons from the 1.5 million produced in calendar 1977.

Disappearance

World disappearance of oilseed and fishmeals in 1978 is forecast at 72.8 million metric tons, an increase of 5 percent from 1977. Strong gains in disappearance are forecast for the U.S., 15 percent; EC, 6.5 percent; and Japan, 10 percent. Developing countries consumption of meals is forecast to be up 3 percent from last year.

In the edible vegetable oils market, world disappearance is expected to rise 11 percent to 33.9 million tons. Usage in the developing countries may rise 12 percent, while that of developed countries is up 9 percent.

Exports

Exports of soybean and products from the United States have remained strong since the fall of 1977. From September 1, 1977 through the end of April 1978, exports of soybeans were 13.2 million tons, compared with 11.8 million tons in the last marketing year. U.S. exports of soybean meal between October 1, 1977 and April 30, 1978 were roughly 3.4 million tons, compared with 2.8 million tons in 1976/77. This strength is due, in part, to reduced crops abroad. India and Peru remain strong buyer of soybean oil this year. The Soviet Union has also purchased significant quantities of United States soybeans in this marketing year. Traditional major buyers, such as the EC, other Western Europe, Eastern Europe, and Japan are purchasing increased amounts of soybeans and meal from the United States in an effort to satisfy the growing needs of their livestock industries. The depreciation of the U.S. dollar relative to currencies of some of our major overseas customers, such as Germany, Japan, and the Netherlands, may have helped exports of soybeans and products since purchases by those countries are up strongly. Thus, exports of soybeans and products could continue strong through the remainder of the U.S. marketing year.

The disastrous crop shortfall in Brazilian soybean production has resulted in less competition for the United States in international markets. This is especially true for soybeans which are currently under a Brazilian export quota of about 7000,000 tons. Soybean meal and oil export supplies from Brazil will not likely be reduced significantly in calendar 1978 since Brazil will likely attempt to maximize its domestic crush.

Argentine soybean exports could exceed 1.3 million tons in 1978. Currently, about 1.4 million tons are registered for export. This is an increase over earlier expectations of 1.2 million tons.

Prices

United States soybean prices, cif Rotterdam, reached peak levels during April and May of 1977 at $384 and $371 per metric ton, respectively (table 21). Thereafter, soybean prices declined until September-October, when they were quoted at $205 to $209 per metric ton. Prices rose to about $240 per metric ton from November through February due to a strong export and United States domestic demand. Since March, soybean prices have risen

markedly to a $290-per-metric-ton average for April. The major stimulus behind the rise in prices appears to be the combination of the Brazilian soybean production shortfall and continued strong domestic and export demand. These factors are expected to maintain strong prices throughout the remainder of the marketing year. (*Philip Paarlberg*, 202-447-8646)

WORLD MEAT PRODUCTION STEADY

Meat production in the world's major commercial markets (United States, Canada, EC, and Japan) for 1978 are likely to hold steady for another year at about 47 million tons. An expected 3-percent increase in pork production (to 16.3 million tons) along with an expected 4.6-percent rise in poultry production should offset an anticipated 2.7-percent decline in beef and veal production (to 19.2 million tons) to keep total meat production slightly above the 1977 level.

Lower average dressed weights, and lower nonfed cattle slaughter are two factors pointing to a 3-to-5 percent decline in U.S. beef production in 1978. Further, the cattle and calf inventory on January 1, 1978, was 116.3 million head, down 12 percent from the 1975 peak, indicating several years of decline in beef production after 1978. But pork production is expected to be about 2 percent above the 1977 level of 6 million tons. Poultry production is expected to rise about 8 percent above the 1977 level of 5.5 million tons because of increased profitability. Total meat production is expected to change little from around 23 million tons in 1977. Beef prices may continue at relatively high levels due to expanding demand, reduced supplies, and strong fed cattle prices. Pork and poultry prices will probably follow the trend of beef. Net U.S. meat imports are forecast to increase to about 869,000 tons largely because of a 91,000-ton increase in voluntary meat import quotas. Increased poultry exports are not enough to offset imports of other meats.

Meat production in the EC is forecast at 18.8 million tons, slightly higher than in 1977. Beef and veal production will increase slightly to 6.4 million tons, adding to already high intervention stocks. Net imports of beef and veal should remain around the 1977 level, with little change in either imports or exports. Pork production is expected to be slightly greater than 1977's 8.3 million tons and poultry production is expected to remain around 3.5 million tons. A large expected decline in pork imports will help lower net meat imports to an estimated 317,000 tons, 27 percent below the 1977 level.

Production of beef and veal, and pork in Japan are up 7 and 3 percent, respectively, over the year-earlier levels—to 385,000 and 1.2 million tons, respectively—due largely to lower feed prices and heavier cattle weights. Beef and veal imports are forecast at 135,000 tons (up 12.5 percent from 1977) while pork imports are expected to fall about 20 percent to 125,000 tons. The United States supplies Japan with high quality beef, and recent trade discusssions between the two countries could increase the U.S. share of the Japanese beef market. Japanese imports of U.S. pork suffered in 1977, and, barring a suspension of Japan's pork import duties, the outlook for 1978 continues to be grim.

Optimism characterizes the Argentine livestock industry, with beef and veal production forecast at 2.96 million tons due to continued high rates of slaughter. Argentine exports of beef and veal are forecast at 625,000 tons, up almost 2 percent from 1977. Areas which are expected to import significant quantities of Argentine beef in 1978 are the EC, Spain, Portugal, the USSR, the Middle East, and Africa.

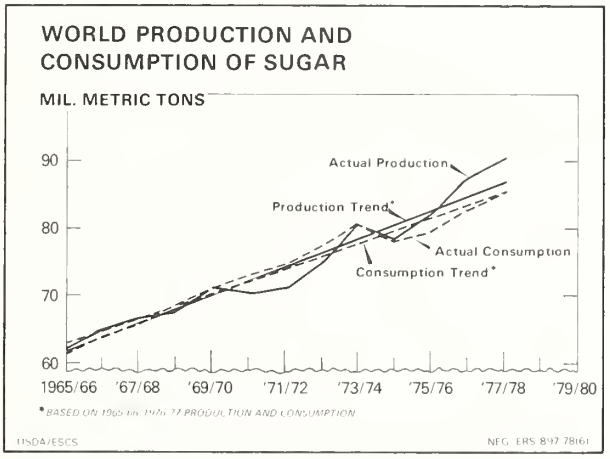
Continued liquidation of the Australian cattle herd reduced cattle numbers by 8 percent for the year (as of March 31, 1978), to 29.4 million. Beef and veal production is forecast at 1.9 million tons, down from 2.1 million tons in 1977. Beef and veal exports are forecast for 1978 at 1 million tons, 8 percent lower than the 1977 level. The United States absorbs the largest share of Australian beef exports (the 1978 initial voluntary restraint level for beef and veal exports to the United States from Australia is 301,000 tons). Other significant export markets for Australian beef are Japan, the USSR, Eastern Europe, and the Middle East. Lamb and mutton production for 1978 is estimated at 495,000 tons, down from a record 593,000 tons in 1976 as producers rebuild flocks.

Beef and veal production in Mexico is expected to decline by almost 2 percent to about a million tons, due mainly to herd rebuilding efforts. The United States is the main importer of Mexican beef, and exports to the United States are subject to a voluntary restraint agreement which has fixed imports of Mexican beef at 28,622 tons (product weight) for 1978, 5 percent greater than the 1977 limitation.

With inventories of nearly all classes of livestock at record levels, the Soviet Union should be able to continue increasing meat production. Total meat production, at 14.8 million tons in 1977 may equal the 15.6 million tons planned for 1978, a record. Soviet 1978 meat imports are expected to be around 300,000 tons, compared with 617,000 tons in 1977. (*Tim Condon and Don Regier*, 202-447-9160)

AN OVERABUNDANCE OF SUGAR

For the second consecutive season, world sugar production is record large, surpassing consumption, adding abundantly to stocks, and depressing world trade prices (table 22). Stocks are estimated to rise about 5 million tons in 1977/78, following a similar global stock rise last season. By season's end in August 1978, global stocks are forecast to reach 28.6 million tons, or about one-third of annual consumption. The London daily price for raw sugar is now equivalent to about 7.5 U.S. cents per pound, Caribeean basis, far below the 11-cent minimum price objective of the International Sugar Agreement (ISA) that entered into force provisionally in January 1978.



Significant changes have been made since December's *World Agricultural Situation* in estimates of sugar production in several countries. USSR sugar output is ½ million tons less because of lower sucrose content in its beets. Cuba's sugar is up 300,000 tons because drought damage was less than anticipated. Good weather boosted sugar recovery rates in India and the EC, while adverse conditions reduced estimates for Africa and South America. The 1977/78 world sugar production, however, still is about the same as estimated earlier, at a peak of 90.7 million tons, 4 million above trend and almost 4.4 percent above 1976/77.

Despite low 1976 sugar prices, area in sugarcane rose 5 percent, mainly in Brazil and India. Brazil has a target of 10 million tons of sugar by 1980, while India's estimated 7 million tons in 1977/78 already exceeds its sixth Five-Year-Plan target. Given India's export limitation under the ISA, it is likely that more of India's sugar will be used for domestic consumption which, at 6.6 kilos per capita, is below the Asian average. Sugar beet acreage declined about 1 percent in 1977/78 (mainly in the United States and Italy), but beet sugar production rose almost 8 percent. Cane sugar output which constitutes about two-thirds of total world sugar output, is up only 2-¼ percent in 1977/78.

Plantings and plans for 1978/79 indicate a slight increase in world sugar beet acreage, largely from 4 percent additions in the United States and in East Europe. USSR acreage appears to be reduced slightly. In the United States, higher price supports, higher import duties and fees, and improved water and field moisture conditions have encouraged beet acreage expansion. Although U.S. sugar cane plantings may decline somewhat, total U.S. sugar output in 1978/79 could exceed the 1977/78 level.

World sugar imports in 1977 were unusually high as exporters unloaded stocks prior to implementation of the ISA and as importers took advantage of low prices. Following the heavy advance buying, import demand has been sluggish thus far in 1978. U.S. imports will drop sharply from the record 5.6 million tons in 1977 to an estimated 3.4 to 3.8 million. PRC imports are expected to be below the 1.5 million tons in 1977. After a good production year in 1977, USSR imports in 1978 may be down from last year's 4.3 million tons to around 3 to 3.5 million.

As a result of persistently low prices, the ISA's export quotas for 1978 were reduced, effective last April, to an average 82.5 percent of the Basic Export Tonnages. This means a total quota for 1978 of only 12.6 million tons, far below estimated export availabilities. The EC's sugar surplus, or export availability, is estimated at 3 to 4 million tons (depending on consumption and ending stock figures). To reduce future accumulations, EC authorities plan to cut sugar production in 1978/79. (*Robert D. Barry*, 202-447-9160)

COFFEE PRODUCTION UPTURN

World coffee production in 1977/78 is now estimated at 68.6 million bags (60-kilogram), exceeding last season by over 13 percent (table 23). Lack of timely rainfall reduced El Salvador and Guatemala outturns by 26 and 11 percent, respectively, while drought diminished the Ivory Coast crop by some 30 percent. However, the world's largest coffee producer, Brazil, had a 1977 harvest of 17.5 million

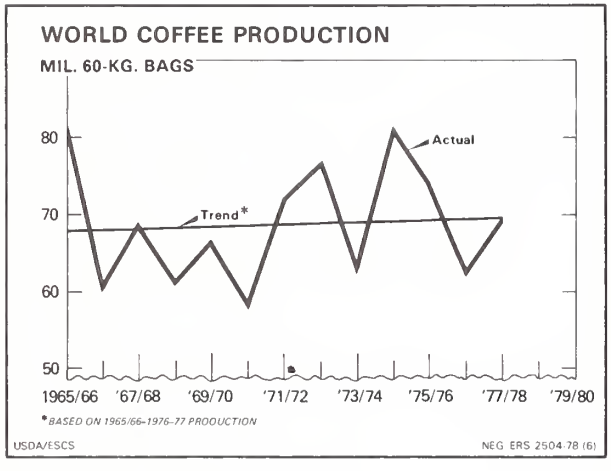
bags, 8.2 million above the frost-damaged crop of 1976.

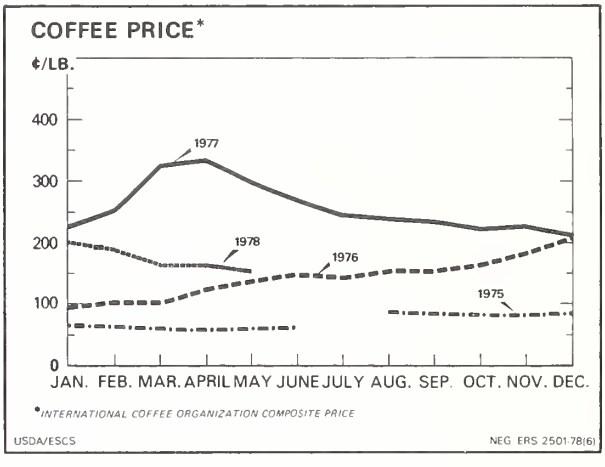
The 1978/79 world coffee crop is forecast at 74.6 million bags, almost 9 percent above 1977/78. About 40 percent of the increase is accounted for by Brazil. In 1978 (for the 1978/79 season), Brazil's outturn is estimated at about 20 million bags, up 14 percent mainly as a result of further recovery of trees from the severe frosts of 1975, as well as new trees coming into fruition from the replanting program started in 1974. Current Brazil production would have been higher were it not for some drought damage this year. Weather permitting, Brazil may still be able to recover its more normal 25-million-bag output by 1979. Coffee crops in Mexico, Central America, and the Ivory Coast are predicted to recover from their relatively poor 1977/78 levels.

World exportable coffee (production minus domestic consumption) is estimated at 51 million bags in 1977/78, 15 percent more than last season. A further gain of about 10 percent, to 56.3 million bags, is estimated for 1978/79.

Since hitting its peak of $3.34 a pound in April 1977, the International Coffee Organization composite price for green coffee has trended downward to $1.58 in May 1978.

The United States imported 14.8 million bags of green coffee valued at $3.86 billion in 1977, a fourth less in volume but about a 47-percent increase in value from 1976 (table 24). (*Robert D. Barry*, 202-447-9160)



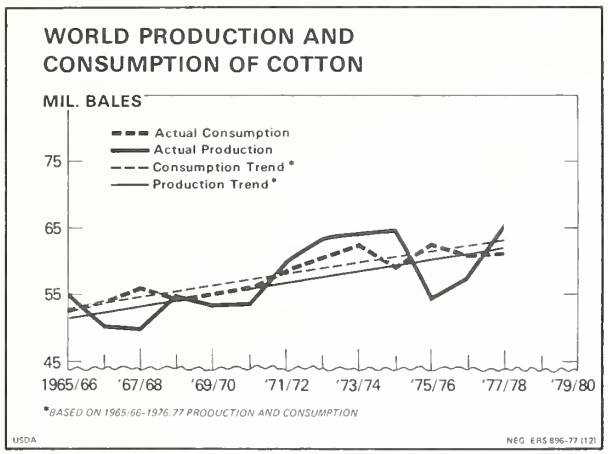


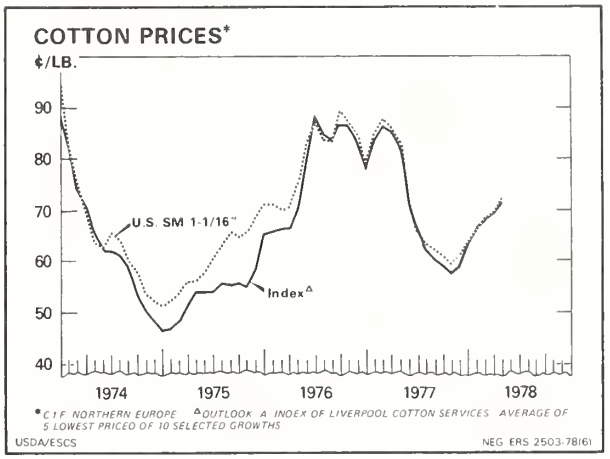
POSSIBLE COTTON PRODUCTION DECLINE IN 1978

World cotton production rose almost 10 percent in 1977/78, to 63.9 million bales, with 3.8 million of the 5.7-million-bale gain contributed by the United States (table 25). Estimated consumption of 61 million bales is slightly below the 1976/77 level of 61.6 million, constrained by slow economic growth, inflation, and sharp competition from the man-made fiber industry which presently has overcapacity. After two seasons of decline, world stocks are expected to rise in 1977/78, by 2.6 million bales for the world and 2.5 million for the United States. A stocks drop of 700,000 bales is foreseen for the Communist countries (table 26).

Prices have been moving up since November 1977. U.S. SM 1-1/16 inch cotton (c.i.f. Northern Europe) which averaged 59.6 cents in November 1977 and 72.1 cents in May 1978 is approaching the June 1977 average of 72.5 cents.

With prices improving at planting time, the anticipated 1978/79 reduction in foreign cotton area may be limited to 2.7 percent. Africa's acreage is forecast 12 percent less than in 1977/78. Decreases are foreseen in Mexico and Central America (12 percent), South America (5 percent), Turkey (17 percent) and Iran (12 percent). Brazil and Colombia are shifting cotton land to other crops for increased profitability. Acreage additions are expected in India (2.7 percent) and Pakistan. PRC cotton area is expected to be about the same as in the 1977/78 season, but output should recover from drought-reduced yields and reach about 11 million bales in 1978/79. USSR cotton area for 1978/79 is projected at 3 million hectares, slightly above 1977/78. U.S. planting intentions show a 280,000-hectare decrease in area to 5.23 million hectares. U.S. cotton production is forecast at 11 to 13





million bales in 1978/79, and foreign production could range between 48 and 52 million, depending on growing conditions and future plantings. More likely, world output will show a decline in 1978/79, with output forecast in the range of 59 to 65 million bales.

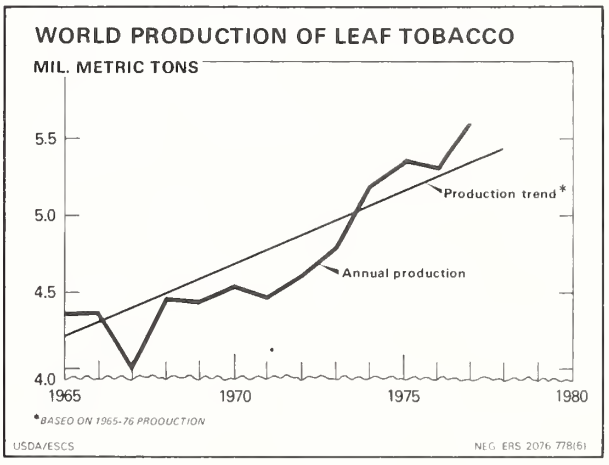
Moderate gains in demand expected for some countries could raise 1978/79 world cotton consumption to around 62 million bales, about a 1-million increase over this season. South Korea consumption could advance some 150,000 bales to a record 1.2 million. Several cotton-growing countries, especially Brazil and Pakistan, are further expanding domestic consumption of cotton for continued growth in their exports of textiles.

World cotton exports could reach 19.1 million bales in 1977/78, some 9 percent above last season (table 27). PRC imports, estimated at 1.5 million bales, are more than double last season, and could be even higher. Import demand in 1977/78 has been fueled by the need to rebuild stocks in several importing countries. However, by season's end on July 31, 1978, the total stocks-to-consumption ratio for foreign countries will still be only 32.7 percent or not much higher than at the start of the 1977/78 season. U.S. exports are estimated at 5.5 million bales in 1977/78, helped by depreciation of the dollar and smaller export offerings by the USSR. USSR exports to Western Europe have been reduced to provide for additional domestic consumption, possible stocks rebuilding, more exports to Eastern Europe, and to compensate for the loss of imports from Egypt. U.S. cotton exports in 1978/79 are forecast within a range of 4.8 to 6.2 million bales but seem likely to exceed 5.5 million. (*Robert D. Barry*, 202-447-9160)

TOBACCO PRODUCTION DECLINE

World tobacco production in 1977 is estimated down about 2 percent from the 1976 record of 5.7 million tons, but cigarette production will likely continue to expand (table 28). World leaf exports in 1977 may be down about 5 percent. Tobacco manufacturers anticipate a further drawing down of tobacco inventories in 1978.

Smaller crops in the United States, Turkey, Greece, and Poland accounted for most of the drop in 1977 world tobacco production. U.S. planted area in 1977 fell 8 percent, with flue-cured, the U.S. major export crop, decreasing 12 percent and burley 6 percent. The U.S. auction price for flue-cured leaf increased 7 percent in 1977 to a record $1.18 a pound. The support price for 1978 may be up more



than 6 percent from last year. In 1978, U.S. tobacco growers indicated that plantings will be reduced by 2 percent. Brazil's 1977 tobacco crop recovered from drought in the Northeast and rose 10 percent to a record of 305,000 tons; an output of 315,000 tons is forecast for 1978. Higher yields from excellent growing conditions lifted output in India, South Korea, and Canada.

World cigarette production, totaling 4.15 trillion pieces in 1977, is expected to continue to follow the upward trend of the past 10 years and rise by some 2 percent in 1978. Leaf cigarette tobacco requirements in 1978 are expected to lag as manufacturers continue to adopt new technology that reduces the amount of tobacco used per cigarette. Cigarette production in the United States, estimated at 666 million pieces, is 4 percent less than in 1977, after gaining more than 6 percent in 1976. Cigarette manufactures outside the United States has been increasing steadily in the 1970's and is estimated at 3.48 trillion pieces in 1977, up about 2.6 percent. Most of the growth is in Asia, with production estimated at 1.53 trillion pieces in 1977. Asia now accounts for about 37 percent of the world's cigarette output.

World exports of unmanufactured tobacco (declared weight) in 1977 appear to have declined some 5 percent to 1.27 million tons, after recovering by about 3 percent in 1976. Despite higher flue-cured prices, the dock strike, and stable shipments to the EC, U.S. exports in 1977 climbed by 9 percent to 285,000 tons. U.S. exports to Asia and Oceania expanded 6 percent in volume to nearly 110 thousand tons, and were also up in value by 18 percent from 1976 (table 29). United States imports were up 2 percent in 1977 at 143,000 tons. EC tobacco imports in 1977 shrank about 6 percent as a result of lower tobacco use in manufacturing cigarettes. Brazil's tobacco exports, up by 5 percent in 1977, are forecast to fall nearly 10 percent in 1978. Turkey's tobacco exports in 1978 may rise about 20 percent. Japanese imports in the fiscal year ending March 1978 fell 10 percent to approximately 85,000 tons as large initial stocks of oriental and flue-cured tobacco were drawn down. Japan's imports from the United States, its major tobacco supplier, retreated 11 percent in fiscal 1978. However, these imports still accounted for 55 percent of Japan's total market. (*Charles E. Goode and Robert D. Barry*, 202-447-9160)

REGIONAL AGRICULTURAL DEVELOPMENTS

United States[3]

Despite continued large supplies of most farm products, farm prices are running well above last year because of strong foreign and domestic demand and heavy producer participation in the loan and grain reserve programs. These higher farm prices have substantially boosted farm income prospects, but at the same time have helped push retail food prices up sharply in early 1978.

Farm Prices Rise Substantially

Farm prices have continued upward in recent months. Livestock prices have advanced the most, but crop prices have also risen recently.

Prices received by farmers for livestock and products in May were up almost a fourth from a year ago with most of the gain occurring since January. Largest increases have been for meat animals—with prices up a third from last May. However, cattle and hog prices have fallen in June.

Although still trailing year-ago levels, crop prices received by farmers have increased about a tenth since January. For all of 1978, farm prices may average around 12 to 15 percent above year-ago levels, after holding fairly stable the past 2 years.

Retail Food Prices May Average 8-10 Percent Higher

The sharp advance in retail food prices, which began to accelerate last winter, continued through spring. First half retail food prices may average around 9 percent above year-ago levels. Strong consumer food demand along with smaller than expected red meat supplies and a weather- reduced output of some fresh vegetables are contributing to the higher food prices.

Retail food prices are likely to continue to rise through most of the summer. Red meat prices are expected to rise further, reflecting strong consumer demand while supplies remain generally tight and food marketing firms pass higher wholesale prices and marketing spreads on to consumers. However, barring major weather problems in important producing areas at home and abroad, food price increases may slow as the harvesting season for major field crops, fruits, and vegetables draws closer.

Based on the strong price advances early this year and taking into account uncertainties about

[3]This section is based on a more detailed discussion of the U.S. agricultural situation published in *Agricultural Outlook*, AO-33, USDA, June 1978.

the rest of 1978, it now appears that 1978 retail food prices may average 8 to 10 percent above last year.

In contrast to the 1974-77 period, higher farm prices will be accounting for a major portion of the 1978 food price rise. This year, farm prices of domestically produced foods may account for 50-60 percent of the overall food price rise. Increased marketing spreads—boosted by rising labor costs—will account for most of the remainder.

Net Farm Income Could Hit $25-$26 Billion

Sharply higher livestock receipts, some rise in crop receipts, and larger government payments are likely to boost 1978 gross farm income 10 to 12 percent over 1977's $106 billion. Livestock receipts this year could be up around $10 billion to a record high. Government payments may rise around $1 billion from 1977's $1.8 billion. The recent boost in target prices for 1978-crop wheat to $3.40 per bushel is expected to add around a half billion dollars in wheat deficiency payments this year.

The costs of farming continue to push upward. Production expenses in 1978 may be up some 8 to 9 percent, mainly reflecting increased input prices.

Despite higher expenses, net farm income is likely to be up materially in 1978—perhaps reaching $25 to $26 billion, excluding inventory adjustment, compared with $20½ billion last year. However, this would still be under 1973's $30 billion high and in terms of real purchasing power is some 40 percent below 1973. Net farm income, including the value of inventory change, may total about $24 billion this year, up from $21½ billion in 1977. Expressed in 1967 dollars, this would be about $12 billion, compared with roughly $11½ billion the last 2 years.

Crop Planting Off to Slow Start

Wet, cool weather over much of the country slowed the pace of crop planting this season, putting farmers about 2 weeks behind last year. However, farmers made good progress in late May and early June, and by mid-June most of the corn and cotton, and around 86 percent of the soybeans were in the ground. But this wet weather has replenished subsoil moisture—in sharp contrast to the relatively dry conditons that were prevailing in many areas at this time last year. (*Robert R. Miller, National Economic Analysis Division*, 202-447-7330)

Other Developed Countries

Crop Production

Western Europe expects a good wheat crop during the 1978/79 crop year, exceeding the previous year's 48 million tons, since fall planting conditions were favorable and the winter mild throughout much of the region. However, planting of spring barley and other coarse grains was delayed in most areas by cold, wet weather. Coarse grain output may fall slightly below last year's level both in the EC and in Western Europe as a whole, where it reached 88 million tons. Sugarbeet plantings in the EC were expected to be slightly below last year because of the Community's decision to lower the maximum sugar quota. The Community's acreage of potatoes, oats, and rye was also expected to decline.

Canadian wheat exports in 1977/78 are expected to be a record 16 million tons. Although record volumes of wheat are moving through the port of Vancouver, transportation and handling constraints have kept wheat shipments behind schedule. Wheat plantings in the Prairie Provinces are expected to increase 7 percent this spring, from 9.8 to 10.5 million hectares. A 1-percent decline in red spring wheat area was offset by a 100-percent increase in durum wheat sown, according to Canadian estimates. The area planted to both oats and barley was expected to drop by about 12 percent and 10 percent, respectively. Rapeseed area is expected to increase by 77 percent to 2.3 million hectares, while soybean acreage may go up 20 percent to 243,000 hectares.

Japanese wheat production during 1978/79 is expected to rise because of increased plantings on diverted rice paddy land. Total wheat acreage will go up from 86,000 to 109,000 hectares. Japan continues to experience over-supply problems with rice. By October 1978, stocks should reach 4.7 million tons, 45 percent of annual consumption and well above desired levels. A program has been set up to divert 390,000 hectares (about 14 percent of total rice acreage) out of production.

A record acreage of wheat is expected in Australia after late summer rains improved moisture conditions in most wheat regions. If yield trends hold, production should surpass the 1977 output of 9.35 million tons and could reach more than 13 million tons. Coarse grain acreage is forecast to rise 5 percent in 1978 but unfavorable weather conditions in South Australia and growing oilseed competition with summer grains in southern Queensland and northern New South Wales may forestall the full development of this anticipated rise.

Livestock Outlook

Beef production in Western Europe is expected to increase only marginally from the 1977 level. Pork production will continue to increase modestly in 1978, led by expected strong gains in Germany, Netherlands, Italy, and Spain. Poultry and egg production should increase moderately from 1977 levels. The EC's dairy surplus situation is not

likely to be eased in 1978. Despite increased subsidies for encouraging consumption, feed use, and exports of dairy products, the already substantial stocks are likely to be little reduced from 1977 levels.

The major downward adjustment of the Canadian beef breeding herd which occurred during both 1976 and 1977 should stabilize in 1978. As producers respond to the anticipated price improvement, cow slaughter is expected to decline and the number of heifers retained for breeding is expected to increase. The decline in Canadian beef output is expected to become more pronounced as the year progresses. Total hog numbers in Canada as of April were estimated to be up 7 percent from last year. Hog slaughter as of mid-April was up 5 percent from the same time last year.

In Japan, inventories of cattle and swine are both expected to increase this year. Broiler production is expected to be up about 7 percent. Beef and veal and pork production are expected to be up 3.8 and 3 percent, respectively. These are more modest gains compared with those of 1976/77. Mixed feed production is expected to climb by about 5.8 percent from 19 million tons in 1977 to about 20.1 million in 1978. Imports of soybeans should reach a record this year along with increased mixed feed output and declining fishmeal utilization.

During 1977/78 (July-June), Australian beef and veal production is estimated at a record 2.1 million tons, or about 10 percent above 1976/77. However, following the alleviation of drought conditions in most regions, auction prices for livestock have firmed and the prospect is for declining slaughter rates as the calendar year progresses. For calendar 1978, production of beef and veal is estimated at 1.9 million tons, down 9 percent from 1977. Exports in 1978 are forecast to fall by 8 percent to 1.02 million tons and domestic consumption by 6 percent also.

In New Zealand, drought conditions during the spring and summer had disastrous effects on pastures, requiring use of supplemental feeds early in the fall. Milk production is expected to drop by 7 percent.

Recent Policy Actions

The EC finally approved the 1978/79 farm-price package on May 12, 1978. Proposals for agri-monetary reform and restructuring of the EC's Mediterranean region, which were considered with the 1978/79 price package, posed major stumbling blocks to an early overall agreement. The 1978/79 price package proposed by the Commission appeared to be signaling a new determination to stem overproduction of EC farm products by emphasizing a restrictive price policy rather than reliance on market adjustment mechanisms to clear the market of surpluses. In apparent keeping with this determination, the Council approved an increase in EC farm prices—in terms of units of account[4]—averaging only about 2.25 percent, the smallest increase for EC farm producers since the price freezes of the late 1960's. However, actual price rises in national currencies will vary substantially by country due to various agri-monetary adjustments also approved by the Council. Taking into account these changes in member countries' "green rates" of exchange, the common price increase will average the same or slightly less in strong currency member countries and from 6 to 12 percent more in weak currency member countries. A Community-wide tabulation of price increases in national currencies would average over 7 percent. The substantial green currency adjustments could impair the EC Commission's intention to curb production of surplus commodities by holding down prices.

The common price increase approved for grains averaged around 2 percent. The intervention price for corn will rise 3 percent, and that for wheat and barley, 1.3 percent. These changes will effectively close the gap between intervention (support) prices for feed wheat, corn, and barley. A number of subsidy programs to encourage EC consumption of butter and the extension of the premium system for withholding milk production from the market and for herd conversion also were approved, together with new or revised programs for beef, field peas or beans, dehydrated forage, olive oil, wine, sugar, and fruits and vegetables.

Year-long negotiations to reduce Japan's $17 billion trade surplus culminated in the U.S.-Japan trade pact of January, 1978. Its agricultural features include increased quotas for high quality beef, fresh oranges, and citrus juice. Taken together with Japan's announced intention to step up grain imports, these measures could stimulate as much as $100 million in additional agricultural imports by Japan in 1978, with the United States possibly taking as much as 60 percent of the total increase.

Agricultural Exports

The value of U.S. agricultural exports to Western Europe in FY 1978 may not reach 1977's $8.6-billion level. The higher level of domestic output in 1977, as compared with the drought-induced shortages of 1976, will substantially reduce import

[4]Unit of account (u.a.)—the standard of value used by the EC in the calculation of CAP transactions. Units of account are converted into national currencies at representative, or green, rates of exchange which, with the exception of Denmark, differ from market rates of exchange.

requirements for feed grains, fodders, and potatoes. Strong U.S. export gains are expected in the oilseed sector, however, since demand is vigorous for soybeans and soybean meal, both of which are currently rising in price.

U.S. agricultural exports to Japan could exceed $4 billion in FY 1978, reflecting increased volumes of feedgrains, soybeans, and soybean meal. U.S. shipments of raw cotton will probably not exceed the 1977 level. The Japanese cotton spinning industry is suffering from stiff foreign competition which led to the formation in April 1977 of a temporary cartel to reduce output by 25 percent. (*Harold A. McNitt*, 202-447-8054)

USSR

Soviet agricultural prospects as of early June appear to be relatively good, but warm, sunny weather is needed in European USSR. Soil moisture supplies generally range from slightly above normal to abundant over the major agricultural regions and have been increasing since March in most areas. Precipitation during March-May has averaged almost 150 percent of normal and has resulted in excess moisture in some parts of European USSR.

Spring gave promise of arriving about 2-3 weeks early in the USSR, with temperatures running 3°-5°C above normal during March. This, however, was followed by cool, wet weather during April and May in the European part of the country, with temperatures averaging 1°-2°C below normal in most regions. In the agricultural areas east of the Volga, on the other hand, temperatures have continued to run somewhat above normal until mid-May.

The cool, rainy weather and wet soils caused a greater delay in spring seeding this year than in any of the past 6 years. The lag in seeding started early and became progressively worse through early May. By May 8, the area sown to spring crops on collective and state farms was only 84 percent of the 1972-77 average of 78.6 million hectares for that date and the lag reached 12.4 million hectares. However by June 5, seeding of spring crops had largely been completed, with 147 million hectares sown (99 percent of planned area).

The earlier seeding lag was greatest for small grain and pulse crops. The 38 million hectares seeded to these crops by May 8, 1978 was 9 million less than the 1972-77 average. This lag represented 6 days of seeding at the average daily rate achieved during the second week of May in 1972-77 and was mainly confined to areas in the European part of the USSR where the length of the growing season permits some flexibility in planting. However, further delays in plant development, such as would be caused by a relatively cool summer, probably would reduce yields and might interfere with fall field work. The lag in seeding small grain and pulse crops was rapidly reduced after May 8 and largely eliminated by May 29.

Planting of spring crops other than small grains and pulses progressed better this year, as a group, than the small grain and pulse crops. In fact, most industrial crops were planted at a faster rate this year than the 1972-77 average. Cotton planting was virtually complete by May 8 and 98 percent of the areas planned for sunflowers and sugarbeets had been planted by May 15. However, unfavorable weather in April and in May made it necessary to reseed large areas of cotton and made the crop more vulnerable to damage from a possible early fall freeze and rain. There apparently were significant lags in the planting of potatoes and of certain forage crops, such as corn for silage and green chop.

The Soviet livestock sector showed overall good gains during January-April 1978 over a year earlier in livestock inventories and output of livestock products.

Soviet livestock inventories on May 1, 1978 reached record levels in most categories of livestock on state and collective farms and interfarm complexes. Poultry and hog numbers were at record levels, up 11 and 9 percent from a year earlier to 625.9 million head and 54.6 million head, respectively. Total cattle and cows were also at record levels, both up 2 percent to 91.7 million head and 29.2 million head, respectively. Sheep and goats, at 149.4 million head, increased 2 percent but were slightly below record numbers on May 1, 1975.

Total meat output (liveweight) on state and collective farms and interfarm complexes in January-May 1978 rose 6 percent above a year earlier to a record 6 million tons. Poultry meat climbed 19 percent to 471,000 tons and beef was up 5 percent to 3.8 million tons to new record levels for both. Pork, up 5 percent to 1.5 million tons, was 12 percent below output in January-April 1975. Mutton and lamb, at 153,000 tons, dropped 4 percent-probably because of poor feed supplies resulting from dry weather in 1977 in the major sheep-raising areas. Milk and egg production, at 26.7 million did not rise, but egg production increased 7 percent to 17.2 billion eggs, a record level.

Industrial meat output (from government-held supplies) rose 9 percent during this January-May, compared with January-May 1977, to 3.2 million tons (slaughter weight), but was 135,000 tons less than record output in the same period in 1975.

Total USSR meat output this year will very likely exceed the previous record of 15 million tons in 1975 and may equal the 15.6 million tons planned. (*Angel O, Byrne*, 202-447-8260).

Eastern Europe[5]

Increasing grain output has top priority in Eastern Europe. In 1977/78, the area sown to grain was expanded, the technological base improved, and more higher yielding varieties of wheat used. But, weather during the remainder of the vegetation period will be the main determinant of the harvest results.

As of mid-May, fallsown grains were in average condition. Poland and Yugoslavia, each planted 100,000 more hectares in wheat than last year. Corn planting is not yet completed at this writing, but indications are that on the urging of their respective governments, Hungarian and Romanian farmers diverted 200,000 hectares to corn from other uses. The Polish plan calls for the planting of 150,000 hectares of corn for grain despite last year's ill-fated experience, when most of the corn planted for grain did not ripen, and had only forage value. In Bulgaria, corn area is expected to increase, but to decrease in Yugoslavia by about 65,000 hectares.

In Yugoslavia, sugarbeets, sunflower, and tobacco replaced corn. Sugarbeet area was also expanded in Bulgaria, Poland, and Romania.

The warm, dry March followed by a cool and rainy April and May had no visible ill effect on the fall sown crops. Spring sowing, however, ran 2 weeks behind schedule, and yellow coloring of corn leaves reflects lack of adequate sunshine. A severe frost in the first half of May damaged fruit trees in the GDR and Yugoslavia and vineyards in Hungary.

Livestock inventories at the beginning of 1978 were higher than in January 1977 with few exceptions. Increases in hog numbers this year are planned in Bulgaria, Poland, and Romania. Because of inadequate meat supplies in 1977, the Polish Government is under special pressure to reduce the imbalance between meat supply and demand. Plans call for increasing meat—particularly the output of pork—by 8 percent during 1978. Pork slaughter in January-March was 20 percent above that of the same period last year. This upsurge may relieve existing shortages, but eventual depletion of inventory could be harmful for future performance.

Hungary, the region's leading exporter of slaughter animals, expects a modest 2-percent increase in meat output. The growth in domestic meat consumption was halted by a one-third hike in prices in the second half of 1976; thus the increased production in the first quarter in 1978, as well as in 1977, was directed to export markets.

[5]Bulgaria, Czechoslovakia, German Democratic Republic (GDR), Hungary, Poland, Romania, and Yugoslavia.

Yugoslavian plans call for a 4.5-percent increase in red meat production during 1978. The production there is being stimulated by a rise in government-guaranteed "protective prices". This assures the farmers a minimum sales price if free market prices drop steeply.

U.S. agricultural exports to the region are estimated at $1.1 to 1.2 billion in fiscal 1978. They should be bolstered by the largest Commodity-Credit-Corporation (CCC) grants ever to Eastern Europe, principally to Poland:

	Poland	Romania	Yugoslavia
	Million dollars		
Feedgrains	219.3	—	—
Protein meal	126.0	—	—
Wheat	70.4	—	—
Soybeans	35.0	22.0	29.0
Cotton	15.0	—	—
Vegetable oil	13.0	—	—
Tallow	12.0	—	—
Soy protein	5.0	—	—
Tobacco	4.3	—	—
Total	500.0	22.0	29.0

Exports to Poland, however, between October 1 and May 15 were below expectation and raise doubt whether all the CCC credit line will be used before the end of fiscal 1978. Difficulties in loading at U.S. ports and congestions with unloading at Polish ports are blamed for the slower than anticipated movement of goods. The following quantities of principal U.S. products were exported to Eastern Europe between October 1 and May 15:

	GDR	Poland	Romania	Eastern Europe
	Thousand tons			
Wheat	161	93	114	368
Corn	664	1,012	132	1,958
Grain sorghum	—	201	72	273
Soybeans	—	—	137	376
Soybean meal	283	200	40	770

A new export assistance program introduced by the USDA in February may contribute to additional sales to Eastern Europe. This new "non-commercial risk assurance program" is limited in its experimental stage to cotton. The program is designed to protect the exporter or his bank against non-commercial risk of default such as the failure of a foreign central authority to exchange local currency to dollars.

Another action which could benefit U.S. trade with Hungary is U.S. approval of most-favored-

nation status for Hungary. Action is pending in the Senate following approval by the House of Representatives. (*Thomas A. Vankai*, 202-447-8380)

People's Republic of China

Prospects for agriculture in China in 1978 appear more favorable than last year. Generally normal-to-above normal temperatures and precipitation existed throughout most of the agricultural areas in China from fall 1977 to early spring 1978. Fall planted crops, particularly wheat, were generally off to a good start. Weather was also more favorable to early rice than in 1976 and 1977. Rapeseed was reported growing well on an enlarged area and prospects are for a 1978 bumper harvest. Spring sowing of autumn harvested crops also was reported progressing well. However, weather conditions since March—drought in the North and excessive rainfalls in the South—dimmed the early optimism somewhat.

There have been some problems for fall planted crops. Temperatures dropped to below freezing during the first 2 or 3 days in April in some areas of the North China Plain. This was followed by unseasonably hot and dry weather during mid-April which caused rapid loss of soil moisture and damage to over-wintering wheat. Drought worsened in much of North China from mid-March into May, but subsequent rains partially relieved the threat to winter wheat.

Major fall planted wheat producing provinces reported sown areas similar or equal to those of the 1977 season. But, even if the sown area of overwintering wheat is down slightly, yields per hectare and total area harvested should be above 1977 levels. Weather has been good in spring wheat areas. Consequently, total wheat production should be above the 1977 level but is unlikely to surpass the 1976 record.

Excess rains and cool weather in South China slowed transplanting of early rice and have caused some damage to seedlings. But problems for rice this year have been less severe than in either 1976 or 1977.

At present, the question in the North China Plain is the impact of continuing below-normal rainfall on the fall harvested crops. In the South, the question is how much the delayed transplanting and slower maturing of early rice will affect the timing of double-crop late rice.

If recently improved weather conditions should deteriorate before fall, 1978 could be another bad year. But, many factors suggest that, if weather conditions improve for the remainder of the growing season, the 1978 harvest could be significantly above the record 1976 harvest of 272 million tons.

Political stability and a concerted drive to raise grain production provide a more favorable environment than in past years. In addition, the use of agricultural inputs, particularly fertilizer, will be up in 1978. Total 1977 fertilizer production and supplies were about 30 percent over the 1975 peak, and there will be further increases in 1978. Moreover, irrigation facilities and farmland capital construction are expected to expand. All of these can significantly raise yields of major grain crops.

While additional irrigation and chemical fertilizers would raise the yields of wheat and miscellaneous grains in the North, expanded use of a new hybrid rice variety will tend to increase rice output. Area transplanted with hybrid rice has expanded rapidly, rising from 138,000 hectares in 1976 to over 2 million hectares in 1977. The planned 1978 area is over 6 million hectares.

China's foreign exchange and payments position has improved substantially, and foreign trade should grow sharply now that economic priorities have been determined and the 10-Year Plan has been finalized. Most growth will be in non-agricultural goods as the new plan puts heavy emphasis on technology imports. But, agricultural imports during 1978 will remain at high levels, primarily because of the inadequate harvest in 1977. Grain imports will remain substantial—1977/78 (July-June) imports will exceed 8 million tons. Cotton imports during marketing year 1977/78 will be at unusually high levels, compared with the past several years, as total imports of 1.5 million bales are projected for the year. High levels of edible oil imports are also expected, although the total will likely be somewhat below the 159,100 tons imported in 1977. Sugar imports should also be down from their record level of last year. The level of soybean imports is uncertain, but should be far below last year.

On the export side, some increase in agricultural exports is expected. Rice exports, in particular, may increase to more than 1 million tons during calendar 1978.

As a result of the high level of PRC agricultural imports during the year, the United States will have its best year for agricultural sales to the PRC since 1974. Total exports will rise considerably above the $65.8 million level of 1977. The PRC has already purchased over $250 million of U.S. agricultural products—mainly wheat and cotton—for calendar 1978 delivery. (*Charles Y. Liu and Frederic M. Surls*, 202-447-8642)

Asia

Prospects for increased agricultural production in Asia during 1978 are generally favorable. Several countries have experienced favorable

weather in recent months after suffering drought conditions earlier in the year.

India's 1977/78 food grain production is estimated at about 123 million tons—up from 111.6 million tons in 1976/77. The 1978 wheat harvest is currently estimated at 31 to 31.5 million tons—up from 29.1 million tons in 1977. Greater use of high-yielding varieties and fertilizer contributed to higher yields. Heavy rain and hailstorms in March did some damage to pulses, but the improved moisture helped wheat yields.

Even though Indian food grain imports are at token levels in 1977/78 and over 1 million tons of wheat were shipped to the Soviet Union, the country should begin 1978/79 with food grain stocks significantly larger than a year earlier. New food-for-work programs are scheduled to provide 1 million tons of wheat and rice for distribution to needy segments of the population.

Unusually hot weather in May caused a high rate of evaporation in fields where rice, corn, sorghum, and millets will soon be planted. Total fertilizer use reached a record 4.2 million nutrient tons in 1977/78 and the level might reach 5 million nutrient tons during 1978/79, including 3 million tons from domestic sources. The 1978/79 rice and coarse grains output will depend heavily upon rainfall during the June-September monsoon season.

India's agricultural exports might decline slightly in 1978 because of smaller exports of oilseed products, and cashew kernels. Agricultural exports exceeded $1.6 billion annually during 1975-77, but might fall to $1.5 billion this year. U.S. sales of 50,000 tons of vegetable oil to India through Title I, P.L. 480 will be only a small part of India's total imports of vegetable oils in 1978, estimated at 1 million tons—up slightly from the 1977 level.

The current food grain situation in *Bangladesh* is not as good as earlier forecast, but, so far, an emergency is not indicated. The closing stock on June 30 is now estimated at 674,000 tons, considerably below the Government's previous target of 1 million tons. This estimate also takes into account 108,000 tons of Title I wheat which is not due to arrive until July.

Bangladesh has requested 900,000 tons of food grain from the United States for fiscal 79, up 35 percent from the 664,000 tons received during fiscal 78. In addition, Bangladesh is requesting 50,000 tons of edible oil, 20,000 tons of tallow, and 120,000 bales of cotton.

Pakistan's wheat production for 1978 is estimated at 8.7 to 8.9 million tons, slightly lower than 1977 output of 9 million tons, and below the Government's forecast of 9.4 million tons: The shortfall in wheat production was due to fertilizer shortages in some areas of the Punjab and Sind and also lack of rain at sowing time in the rainfed areas. As a result, Pakistan is expected to import about 1.5 to 1.8 million tons of wheat during 1978.

Pakistan's cotton export availability is 850,000 bales (480-pounds bales) in 1978, more than double the export forecast of 450,000 bales. The anticipated increase is due to better procurement methods, a good cotton crop, and less domestic use because of continued labor problems in textile industry.

With *Indonesia's* main season rice harvest largely completed, it appears that 1978 rice output will be about 16.8 million tons, substantially above the 15.5 million-ton harvest of 1977. Rice imports should reach a record 2.5 million tons in 1978, thereby permitting the possibility of some stock buildup. Thailand, the PRC, and the United States will be the principal suppliers.

Malaysian palm oil production was slowed by drought in 1977 and early 1978 and is now estimated at 1.72 million tons in 1978, down from earlier estimates in the 1.8-1.9 million-ton range. Production during the first 4 months of 1978 was only 400,000 tons, compared with 514,000 tons during the same period in 1977. Effects of the drought will probably be evident until September or October, when output will again reach projected levels.

Philippine production of centrifugal sugar during 1977/78 is currently estimated at 2.3 million tons, down 13 percent from the previous year's crop. The decline is attributed to reduced area, less fertilizer use, more ratooning, and dry weather. Exports of raw sugar will be about 1.6 million tons in 1977/78, a 25-percent drop from the previous year. Lower production, reduced carryover stocks, and the imposition of export quotas under the International Sugar Agreement (ISA) have all contributed to the decline. Exports will decline to about 1.4 million tons in 1978/79 with full implementation of the ISA.

Figures for the 1977/78 *Burmese* rice crop have been revised downward 100,000 tons, to 5.8 million tons. Harvest of the spring rice crop was hindered by heavy rains. Rice exports for 1978 are now projected at 400,000 tons, down 40 percent from 1977 and 1976 levels of about 630,000 tons.

Increased exports of agricultural commodities—especially corn, sugar, and cassava products—along with reduced imports of some consumer goods have resulted in an improved foreign exchange position for *Thailand.* Corn production for 1977/78 has now been revised upward 200,000 tons, to 2.1 million tons. Export estimates for the same period have been raised 300,000 tons, to 1.2 million tons. Decreased livestock prices together with higher feed costs led to decreased domestic demand for corn, freeing supplies for export.

Thailand's second rice crop, harvested in May, totaled 1.5 million tons, down 17 percent from last spring's record harvest of 1.8 million tons, but

above expectations. While rice area was increased, yields were reduced by limited water supplies and higher fertilizer prices. Total rice production for 1977/78 remains unchanged at 9.9 million tons. Rice exports during 1978 should reach the 1.8 million tons forecast earlier.

Drought in *South Korea* has reduced the prospects for 1978 barley production. Output will probably be in the 1.1 to 1.2-million-ton range, below the 1976 harvest of 1.76 million tons, but above the drought affected 1977 harvest. Korea's plan to eliminate barley imports during 1978 may be altered. Corn imports wlll apparently be revised upward, possibly to 1.7 million tons.

Hong Kong remains a large market for U.S. cotton, fruits, and eggs. U.S. exports of cotton to Hong Kong are likely to rise in 1978, surpassing the record 386,000 bales delivered in 1977. Difficulty in obtaining cotton from the Soviet Union and Latin America has caused Hong Kong to import more U.S. cotton.

Taiwan sent a second buying mission to the United States in June 1978 to negotiate the purchase of more grains and other farm commodities, industrial materials, and capital equipment. (*Asian Area*, 202-447-8106)

Latin America

The agricultural situation in Latin America during early 1978 has been affected by extremes of wet and dry weather. Crop conditions have improved in some areas which suffered from the 1976/77 drought including Argentina, Central America, and Colombia. However, the persistence of unusually dry, hot weather resulted in serious setbacks for early harvests of soybeans, corn, and cotton in Brazil, and limited agricultural prospects in areas of Mexico and Peru. Heavy rains and flooding have reportedly restricted production of early crops in Venezuela and the Caribbean countries; changing trade policies have contributed to a significant decline in Chile's agriculture this year.

The current situation indicates further gains in Latin American output of coffee, sugar, and livestock products in 1978. Wheat production may also rise moderately from the low 1977 volume of about 11.5 million tons, reflecting anticipated recoveries in Argentina and Mexico. In contrast, weather problems and lower world prices will likely result in a significant cutback in cotton output. Although reductions in Brazil's oilseeds and feed grains will be partly offset by gains in other countries, total production is expected to decline after trending up to records in 1977.

Latin American exports of fruits, vegetables, meats, and related products have continued to rise in response to strong demand. However, total 1978 agricultural export earnings have been depressed by lower prices for coffee and cotton, reduced supplies of wheat and oilseeds, and the limited demand for sugar following a late 1977 stock buildup in the importing countries. Imports of feed grains, oilseeds, and oilseed products declined, but wheat purchases continued up to more than double the 1977 level. U.S. agricultural imports from Latin America for January-April fell from the 1977 record high $2.4 billion to $2.2 billion in 1978; and U.S. agricultural exports increased from $580 million to $727 million.

In *Argentina*, the severe 1977 drought was broken by rains which provided excellent conditions for the early 1978 feed grains and oilseed crops. Although prospects were reduced by heavy rains, the April corn harvest is currently estimated at a near-record 9.5 million tons, and sorghum at a new high of 7 million tons. Edible oilseed production is forecast to exceed the 1977 record of 3.2 million tons by 20 percent or more based upon expansion in soybeans and sunflower to 2.2 million and 1.3 million tons, respectively.

With a few exceptions, export quotas have been removed for oilseed and oilseed products; contracts for 1978 soybeans through mid-May had reached 1.4 million tons, compared with an April-March 1977/78 export total of about 600,000 tons. Corn and sorghum exports for 1978 are also expected to rise sharply above the 1977 volumes, adding to a further gain in beef exports. Exports from the small 1977 wheat crop were suspended last December when registered sales reached about 1.4 million tons. In a move to stimulate 1978 production, the Government established a guaranteed minimum price to producers equivalent to $100 per ton ($2.72/bushel); and moisture conditions appear favorable for June-July plantings.

Brazil's agriculture was set back by severe drought which reduced the 1977 wheat harvest and continued through the January-March rainy season in the southern region. Hardest hit were soybeans (estimated between 9.7 and 10.2 million tons) and corn (14.3 million tons) that were estimated to be down 15 to 20 percent or more from 1977 record. Cotton production fell back 18 percent to 450,000 tons and rice dropped 7 percent to 7.5 million. The coffee situation has not been fully assessed and current forecasts indicate a further 1978 recovery to around 1.2 million tons or more. Dry conditions have also delayed wheat plantings and, in spite of mid-May rains, prospects for a significant 1978 recovery in production do not appear favorable.

Increased supplies and reduction of official prices have encouraged some recent recovery in coffee exports, but 1978 earnings will be sharply reduced. Brazil has reportedly contracted sugar sales to fill its 1.9-million-ton quota under the International Sugar Agreement. Further export

registrations for 1978 soybeans were banned in early May, to assure domestic supplies of vegetable oils; export registrations reached about 700,000 tons, compared with the 2.6 million tons exported in the 1977/78 Brazilian marketing year (beginning March 1). Corn imports are forecast at 500,000 to 1 million tons this year, and wheat imports are estimated up sharply to a record of 4 million tons or more.

Mexico's northwestern states suffered from the continuation of unusually dry conditions. Reduced supplies of irrigation water are expected to limit 1978 recovery for wheat (2.7 million tons) and reduce double cropping of soybeans (230,000 tons). An estimated 14 percent decline in 1978 cotton (300,000 tons) is less than earlier forecast. Higher prices and favorable conditions in other growing areas are expected to encourage moderate gains in production of corn, sorghum, and livestock products.

Exports of fruits and vegetables have continued up in response to strong demand and sales of cattle and meat are expected to continue near high 1977 levels. Further gains are anticipated for cotton, but total 1978 earnings from agricultural exports may decline because of lower prices for coffee and cotton. Wheat imports are expected to significantly exceed the 1977 volume of about 500,000 tons with feed grains continuing at the 2.2-million-ton level. In contrast, imports of fats, oilseeds, and oilseed products may be below high levels of a year earlier.

In *other Latin American*, agriculture has also been affected by weather extremes. Heavy rainfall, extending through the Caribbean and north Andes, restricted sugar production in Cuba and Jamaica and damaged early harvested food crops in Venezuela. In contrast, dry conditions continued in Pacific Coastal areas of Ecuador. Low supplies of irrigation water reduced Peru's rice plantings and some damage is anticipated for the 1978 sugar and cotton harvests. In Chile, lower prices associated with liberalization of trade policies, resulted in a sharp cutback in early 1978 production of wheat, corn, oilseeds, and sugar. Current dry conditions may restrict wheat plantings for the early 1979 wheat harvest. (*Howard L. Hall,* 202-447-8133)

Africa and West Asia

North Africa

Grain imports have been running high this year for Morocco, Algeria, and Tunisia —largely the result of drought in 1977. However, excellent wheat and barley harvests in Morocco in 1978 may reduce wheat import requirements for 1978/79 to less than 1 million tons. Algeria also is harvesting more grain this year but its wheat harvest is below average and import needs will run at least 1.2 million tons of wheat and 200,000 tons of coarse grains.

Though April rains saved some of the barley in the marginal areas, Tunisian production of wheat and barley will not be much greater than last year's 650,000 tons. Tunisia may need 600,000 tons of wheat and 200,000 tons of coarse grains to make up the deficit.

Egypt's grain import needs are up again in 1978. Imports of wheat and flour (in wheat grain equivalent) by Egypt are likely to total 4.6 million tons—up from 4.35 million tons in 1977. Corn imports are also gaining because of increased livestock and poultry feeding in Egypt and are scheduled to reach 800,000 tons.

East Africa

Military disturbances have prevented the Desert Locust Control Organization for East Africa from adequately controlling the breeding of locusts in Ethiopia and Somalia. Locust swarms also now threaten Kenya, Tanzania, Uganda, and other parts of East Africa and pose, under certain conditions, a potential threat to other countries in Africa and Asia.

The Ethiopian Government set a coffee export quota of 100,000 tons for the current marketing year. Some officials feel this is unrealistic. First-half marketing year coffee exports at 29,000 tons, were 6,000 tons above comparable figures for last year.

In Ethiopia a shortage of transportation due to military activity is hindering the distribution of food. This combined with some spotty drought and locust damage to crops has led to some serious food shortages in the Wallo region in mid-1978.

In March 1978, the Coffee Research Center of the Institute of Agricultural Research in Ethiopia announced the successful development of a coffee variety resistant to the coffee berry disease, a disease responsible for reducing coffee production in many African countries. Ethiopians claim a 20-percent reduction in recent years due to the disease. It is expected that seed and/or stock of the new variety will be available for wide distribution in 3 or 4 years.

In Kenya, heavy rains have favored some crops, but have sharply cut wheat production to about 140,000 tons. Sugar production during 1977/78 increased about 22 percent to a new record high of 197,000 tons. Kenyan domestic consumption of sugar in 1977 was about 235,000 tons. Even though some imports were required, Kenya, for the first time, exported a little sugar. About 5,000 tons moved to the EC under the Lome Convention.

Southern Africa

Sugar production reached a new record high in South Africa. The 1977 crop totaled 2.08 million tons. Sugar exports increased 15 percent and

reached the high level of 1.05 million tons in the 1977/78 marketing year. However, export earnings did not increase. Under the new International Sugar Agreement, South Africa's exports during 1978 may be limited to 713,000 tons. Even so, production is not expected to be cut very much.

South Africa is harvesting a near record corn crop, possibly 9.9 million tons. From this crop, near record exports over the next 12 months are expected.

A prolonged drought in Madagascar will reduce food crop production in 1978. Rice production, which has not kept up with demand in recent years, will be down substantially. Madagascar, once a net rice exporter, may require imports of more than 200,000 tons.

Floods along the Zambezi River in March 1978 destroyed crops and increased Mozambique's needs for wheat, corn, and rice.

West Asia

Turkey is having another good crop year. Another very good wheat crop is being harvested. By harvesting more wheat than needed for domestic food use, Turkey will add to its exportable surplus. Over 2 million tons were sold in 1977; possibly more will be sold in 1978.

Iran expects near-average crops this year. Imports of food grains, feed grains, vegetable oils, and sugar are expected to climb in 1978 to keep pace with demand rising from population growth, increased per capita income, and increased feeding of livestock and poultry. Iran's total grain consumption in 1978 is estimated to be just shy of 10 million tons, with about 30 percent imported.

U.S. exports to the Arabian Peninsula are on the rise. Saudi Arabia is the big market there. U.S. agricultural exports to Saudi Arabia reached $113 million during the first half of fiscal 1978. This was double the amount recorded in the comparable period one year earlier. Exports of U.S. rice to Saudi Arabia during the first half of FY 1978 reached $45 million—triple the value recorded during the first half of FY 1977, while the value for wheat flour shipments remained steady at $19 million. Expansion of dairies and of broiler operations in Saudi Arabia are causing marked gains in U.S. exports of corn, poultry feed, and barley in 1978. (*Africa and Middle East Program*, 202-447-8966)

FOOD AND TRADE POLICY DEVELOPMENTS

International Sugar Agreement

The deadline for ratification of the International Sugar Agreement (ISA) has been postponed from July 1 to December 31, 1978. Of the 51 members of the agreement, slightly more than a half have officially ratified the pact that became operative provisionally in January 1978. The United States and Japan are among the major sugar importers that have not completed domestic procedures for approval of the agreement; also, passage of implementing legislation is required by most countries before contribution fees—a part of the ISA Stock Financing Fund scheme—can become operative. These fees were due to become operative on July 1, 1978, but the date has been postponed to October 1, 1978. The ISA calls for the accumulation of 2.5 million tons of special stocks. These stocks are to be accumulated at a rate of at least 40 percent during the first year, 80 percent by the end of the second year, and 100 percent by the end of the third year. Hence, 1 million tons of sugar would be withheld from the market during 1978. The cost of holding these stocks is to be shared among importers and exporters through the stock financing fund.

U.S. ratification is currently pending in the Senate as hearings on new sugar legislation are being held. The proposed sugar legislation will replace the current support program to U.S. growers that expires at the end of the 1978 crop season.

The EC has renewed its interest in seeking membership in the 1977 ISA. Having previously declined to join the agreement because of the restraint of export quotas, the Community now seeks special status under the pact. In lieu of export quotas, the EC has proposed to implement "equivalent disciplines" in which it would restrict exports to conform with ISA regulations. The International Sugar Organization (ISO) has established a working group to handle the Community's application for membership. Several ISA members contend that the EC's sugar marketing policy of continued sales and subsidy payments is one of the major elements contributing to the ineffectiveness of the current agreement. The EC is expected to have a sugar surplus of 3 to 4 million tons this year.

Because sugar prices continued persistently below the 11-cent ISA minimum price objective, the ISA aggregate export quota for 1978 was reduced to about 12.6 million tons, effective April 24, 1978—to 82.5 percent of the Basic Export Tonage.

The next full ISO meeting is scheduled in November in London. (*Barbara S. Blair*, 202-447-7590)

"Tokyo Round" Nears Completion

Momentum has increased considerably as the "Tokyo Round" of Multilateral Trade Negotiations (MTN) moved into its final stage this spring. Negotiations on tariffs and nontariff measures have been held in the past several months on all levels as participants work to complete the 4-½-year talks. In January, the United States and other major industrialized nations made a commitment to work toward finalizing a political package of basic agreements by July 15, 1978. Following the negotiation of a July agreement, technical details and drafting of legal instruments would commence. A final package may be submitted for Congressional approval in January, 1979.

In January 1978, the United States made its initial offer to adjust tariffs and nontariff measures. The offer pertains to commodities with an estimated trade value of about $45 billion in 1976, including some $3 billion worth of agricultural commodities. The offer would reduce U.S. tariff rates under the Most-Favored-Nation classification from a weighted average of 8 percent to a weighted average of 4. 5 percent—a 45 percent reduction. Full implementation of the offer is conditional upon the United States receiving reciprocal concessions.

Bilateral negotiations on agricultural commodities are being continued by he United States within the framework of the Agriculture Group. In November 1977, the United States submitted requests for tariff and nontariff concessions on agricultural products representing an annual volume of about $11 billion in U.S. exports. Concessions requested from the EC covered about $2.2 billion annually of U.S. agricultural exports. Requests and offers were made on a country- by-country and product-by-product basis.

Agriculture Subgroups are continuing discussions on proposals for international arrangements for meat and dairy products. These arrangements, if negotiated, would include provisions for information gathering, consultations, safeguards, export subsidies, and increased market access. A more detailed arrangement, including minimum and maximum prices, is being discussed in the Dairy Subgroup. The United States has taken an active part in these negotiations but has not commited itself to participate in any final arrangement. Talks in the Grain Subgroup have been linked somewhat with the negotiations being held in the International Wheat Council, where the U.S. objectives are to expand trade, enhance world food security, moderate price extremes, and encourage international cooperation in all aspects of trade.

In other areas of the MTN, the United States and other participants are considering draft codes on procedures for import licensing, and government purchasing practices and standards. Negotiations for international codes on subsidies, customs valuation, and safeguards are continuing. Throughout the Geneva talks, the United States has placed emphasis on negotiating a subsidy code that would provide comparable treatment for agricultural and industrial products. Present General Agreement on Tariffs and Trade subsidy provisions do not apply to agricultural products and some of the principal subsidy problems relate to agriculture. General rules providing greater international discipline over the application of subsidies and countervailing duties have been agreed upon. (*Barbara S. Blair*, 202-447-7590)

Table 1--Industrial Countries: Changes in GNP, 1963-73, 1976-78

Country	Annual Average 1963-73 1/	Change from Preceding Year 1976	1977	1978
	- - - Percent - - -			
Canada	5.7	4.9	2.6	4.5
United States	4.0	6.0	4.9	4.5
Japan	10.3	6.0	5.1	5.7
France	5.9	5.2	2.7	3.1
Germany, Fed. Rep.	4.8	5.7	2.5	3.1
Italy	4.8	5.6	1.7	2.6
United Kingdom 2/	2.6	2.3	0.8	2.9
Other countries 3/	4.6	3.5	1.9	2.2
All industrial countries	4.8	5.4	3.7	4.0
Seven larger countries 4/	4.8	5.6	3.9	4.2
European countries	4.5	4.5	2.1	2.8

1/ Compound annual rates of change.

2/ Gross domestic product.

3/ Includes Austria, Belgium-Luxembourg, Denmark, the Netherlands, Norway, Sweden, and Switzerland.

4/ As listed separately above

SOURCE: Internaional Monetary Fund.

Table 2--Industrial Countries: Changes in Prices, 1963-73, 1976-78

Country	Annual Average 1963-73 1/	Change from Preceding Year 1976	1977	1978
GNP Deflator	- - - Percent - - -			
Canada	4.3	9.6	6.5	6.0
United States	3.9	5.4	5.5	6.2
Japan	5.6	6.4	6.3	3.9
France	4.6	9.7	9.3	8.1
Germany, Fed. Rep.	4.3	3.3	3.6	3.5
Italy	5.3	17.8	18.3	12.5
United Kingdom 2/	6.2	15.1	15.4	9.5
Other countries 3/	5.5	7.7	7.2	6.3
All industrial countries	4.6	7.3	7.0	6.2
Seven larger countries 4/	4.5	7.2	7.0	6.1
European countries	5.1	9.2	9.0	7.0

1/ Compound annual rates of change.

2/ Gross domestic product.

3/ Includes Austria, Belgium-Luxembourg, Denmark, the Netherlands, Norway, Sweden, and Switzerland.

4/ As listed separately above.

SOURCE: International Monetary Fund.

Table 3--Ratios of Industrial Operating Capacity Utilization for Major Industrialized Countries

Year	United States	France	F.R. Germany	Italy
1969	95.1	94.8	95.8	91.4
1971	86.4	93.8	94.0	89.8
1973	97.1	96.3	96.9	93.5
1975	80.4	81.2	83.9	84.3
1976	87.5	85.0	85.0	92.0
1977 1/	91.0 -4	85.6 -2	85.7 -2	86.5 -2

Year	Nether-lands	United Kingdom	Japan	Canada
1969	94.9	97.4	94.3	95.2
1971	95.3	94.0	92.7	93.2
1973	94.6	98.2	98.0	97.5
1975	83.7	88.8	74.9	89.5
1976	83.8	88.0	80.0	89.2
1977 1/	80.8 -2	88.1 -2	79.4 -2	89.3 -2

1/ Numbers after each country number refer to last quarter for which data is available.

SOURCE: U.S. Department of Commerce, International Economic Indicators, March 1978.

Table 4--U.S. Exchange Rates Weighted by 1977 Trade Shares of 67 Country Trading Partners (April 1971 = 100; end of year index unless otherwise specified.)

Year	U.S. Dollar Cost of Foreign Currencies With Which to Buy U.S. Imports	Foreign Currency Cost of U.S. Dollars With Which to Buy U.S. Exports
1974	108.5	94.3
1975	104.7	99.1
1976	102.9	106.8
1977-June	103.3	108.6
1977-Dec.	105.3	112.9
1978-Mar.	106.4	112.8
1978-Apr.	107.5	113.2
1978-May	106.4	114.1

SOURCE: U.S. Department of Commerce

Table 5. U.S. agricultural exports: Value by region, October-April 1976/77, 1977/78 and fiscal years 1977, 1978

Region 1/	October-April		Fiscal year	
	197/77	1977/78	1977	Forecast 1978
	Billion dollars			
Western Europe	5.872	5.224	8.609	8.0
European Community	4.782	4.042	6.830	6.2
Other Western Europe	1.090	1.182	1.779	1.8
Eastern Europe	.424	.442	.978	1.1
USSR	.848	.990	1.091	1.8
Asia	4.802	5.202	8.126	9.0
West Asia	.585	.633	1.097	1.3
South Asia	.365	.326	.683	.6
Southeast and East Asia (excl. Japan and PRC)	1.388	1.628	2.467	3.1
Japan	2.463	2.477	3.878	3.7
PRC	0	.138	.001	.3
Canada	.937	.757	1.586	1.4
North Africa	.418	.506	.782	1.0
Other Africa	.289	.344	.565	.6
Latin America	1.056	1.294	2.130	2.5
Oceania	.082	.091	.146	.1
Canadian transshipments	.169	.204	---	---
Total	14.897	15.821	24.013	25.5

1/ Fiscal year data are adjusted for transshipments through Canada and Western Europe. Quarterly data are unadjusted.

Table 6. U.S. agricultural exports: Volume of selected commodities October-April 1976/77, 1977/78 and fiscal years 1977, 1978

Commodity	1976/77	1977/78	1977	Forecast 1978
	Million metric tons			
Wheat and flour	12.613	16.333	24.723	31.3
Feed grains	31.378	29.133	50.602	51.2
Rice	1.161	1.118	2.229	2.2
Soybeans	11.170	12.756	15.156	17.7
Vegetable oils	.656	.856	1.142	1.4
Oilcake and meal	2.890	3.515	4.336	5.2
Cotton, including linters	.677	.797	1.046	1.3
Tobacco 1/	.183	.181	.296	.3
Fresh fruit	.727	.752	1.345	1.4
Animal fats	.795	.765	1.379	1.3
Total	62.250	66.206	102.254	113.3

1/ Beginning in fiscal 1978, does not include bulk-smoking tobacco.

Table 7. U.S. agricultural imports: Value by commodity, October-April 1976/77, 1977/78 and fiscal years 1977, 1978

Commodity	October-April		Fiscal year	
	1976/77	1977/78	1977	Forecast 1978
	Billion dollars			
Competitive				
Animals and products:				
Dairy and poultry products	.220	.253	.383	.4
Meat & meat products	.746	.851	1.289	1.4
Live animals	.153	.213	.236	.3
Other animal products	.224	.265	.402	.5
Vegetable products:				
Fruits, nuts, & vegetables	.678	.865	1.203	1.3
Oilseeds & products	.364	.282	.639	.5
Sugar & related products	.602	.574	1.105	1.0
Tobacco, unmanufactured	.172	.203	.339	.4
Wines & malt beverages	.285	.331	.545	.6
Other vegetable products	.256	.273	.438	.4
Total competitive products	3.700	4.110	6.579	6.8
Noncompetitive				
Bananas & plantains	.185	.191	.325	.3
Coffee, cocoa, & tea	3.357	3.208	5.438	5.3
Rubber and allied gums	.364	.378	.628	.6
Spices	.073	.075	.133	.2
Other noncompetitive Products	.156	.161	.279	.3
Total noncompetitive Products	4.135	4.013	6.803	6.7
Total	7.835	8.123	13.382	13.5

Table 8. U.S. agricultural imports: Volume of selected commodities, October-April 1976/77, 1977/78 and fiscal years 1977, 1978

Commodity	October-April		Fiscal year	
	1976/77	1977/78	1977	Forecast 1978
	Thousand metric tons			
Competitive				
Cheese	61.2	61.4	97.9	95
Meat and meat preparations	440.1	496.0	782.4	787
Sugar, cane and beet	2,407.2	2,457.2	4,549.5	4,400
Tobacco, unmnaufactured	79.9	82.4	147.3	161
Tomatoes, fresh	264.3	294.4	357.2	400
Vegetable oils and waxes	633.2	527.6	998.1	955
Wine 1/	1,425.7	1,546.0	2,683.5	3,000
Noncompetitive				
Bananas & plantains, fresh	1,242.6	1,279.4	2,162.7	2,250
Cocoa beans	125.5	108.1	193.1	194
Cocoa products	89.6	97.4	145.7	146
Coffee, green	713.0	568.5	982.3	938
Coffee, processed	36.3	21.9	54.3	49
Crude rubber	458.6	447.2	783.3	785
Spices	42.0	35.6	68.7	54
Tea	57.8	38.0	102.1	80

1/ 1,000 hectoliters

TABLE 9.--PRICES RECEIVED BY FARMERS FOR SELECTED COMMODITIES, CHANGES IN 1977 AND 1978 FROM THE SAME QUARTER A YEAR EARLIER

	QUARTER	BEEF	PORK	BROILERS	EGGS	MILK	WHEAT	CORN	RICE	BARLEY	SOYBEANS	POTATOES	INDEX OF PRICES RECEIVED BY FARMERS
							-PERCENT CHANGE-						
UNITED STATES	I 1978	+21.9	+21.2	+3.0	-16.0	+6.9	+6.1	-12.4	+60.3	-15.8	-20.0	-8.8	+3.6
UNITED STATES	IV 1977	+11.2	+18.7	+8.1	-22.2	+3.0	-2.8	-16.4	+53.4	-18.7	-22.4	-4.5	+5.2
JAPAN	I 1977	-1.6	+3.5	-15.3	-25.0	+1.8	---	---	+2.5	0	-3.8	+10.5	-3.4
WEST GERMANY	IV 1977	+2.5	+9.2	+3.8	-6.0	+2.1	-4.4	-2.8	---	-7.1	---	-48.4	-3.9
FRANCE	IV 1977	+7.6	+16.8	+11.5	+10.8	+7.0	+4.9	+3.9	---	-6.3	---	-85.3	+1.1
ITALY	IV 1977	+4.8	+1.3	+24.9	+12.7	+15.5	+9.7	+.3	---	+13.4	---	-58.5	+8.8
NETHERLANDS	IV 1977	+5.2	+9.1	+1.0	-1.5	+9.0	-2.1	---	---	-7.8	---	-80.2	+1.0
BELGIUM	IV 1977	+.4	+15.4	+2.6	+5.6	+4.4	+1.1	---	---	-7.7	---	-87.9	-3.4
UNITED KINGDOM	IV 1977	-7.6	+6.0	+43.2	-21.5	-9.6	+1.5	---	---	-15.4	---	-78.6	-7.2
IRELAND	IV 1977	+8.3	+20.2	+20.2	+9.8	+23.6	+19.3	---	---	+26.9	---	-76.9	+11.6
DENMARK	IV 1977	+15.2	+6.0	+5.1	+12.7	+13.9	+12.7	---	---	-4.4	---	-45.7	+8.9
EC-9	IV 1977	+5.0	+9.5	+17.8	+4.3	+7.4	+5.0	+2.6	---	-8.0	---	-76.1	+.7

TABLE 10--PRICES PAID BY FARMERS FOR SELECTED INPUTS, CHANGES IN 1977 AND 1978 FROM THE SAME QUARTER A YEAR EARLIER

COUNTRY	QUARTER	ALL FEED	COMPOUND FEED FOR					FERTILIZER			FEEDER LIVESTOCK	GASOLINE FOR FARM USE	ALL MATERIALS FOR AGRICULTURAL PRODUCTION
			BROILERS	CHICKENS	DAIRY CATTLE	HOGS	BEEF CATTLE	ALL FERTILIZER	AMMONIUM SULFATE	SUPERPHOSPHATE			
		PERCENT CHANGE											
UNITED STATES	I 1978	-10.4	-7.3	-7.5	-12.0	-7.8	+1.1	+1.1	---	---	+21.9	+4.3	+3.5
UNITED STATES	IV 1977	-10.0	-8.2	-8.5	-8.2	-6.6	-6.7	0	+8.1	+7.3	+12.7	+5.5	+3.6
CANADA	IV 1977	-3.1	---	---	---	---	---	+5.2	---	---	+22.6	---	+5.5
JAPAN	I 1978	-7.8	-7.3	-9.1	-9.1	-9.6	-10.3	+1.3	+1.7	-.3	+3.3	0	0
WEST GERMANY	IV 1977	-5.2	---	-2.9	-3.5	-2.7	---	-.4	---	-2.9	+11.5	-1.5	-.1
UNITED KINGDOM	I 1978	-6.2	+6.3	+9.0	+1.0	+3.9	-2.5	+15.5	---	+1.6	---	-.1	---
FRANCE	III 1977	---	+28.1	---	---	---	+17.6	---	---	-9.0	---	---	---
ITALY	III 1977	---	+16.1	+12.4	+12.4	+11.6	+11.4	---	+22.4	+7.4	---	+1.2	---
NETHERLANDS	III 1977	---	+4.3	+3.5	-2.0	+.8	-6.6	---	+7.3	+4.9	---	-3.7	---
BELGIUM	IV 1977	---	-1.4	-3.3	-11.5	-11.3	-9.3	---	-10.2	-.9	---	-2.7	---
IRELAND	III 1977	---	+32.3	---	---	+31.0	+28.4	---	---	---	---	+5.4	---
DENMARK	III 1977	---	---	---	---	-1.0	-8.1	---	---	+4.6	---	-9.0	---

TABLE 11.--EXPORT AND IMPORT UNIT VALUES OF SELECTED COMMODITIES; CHANGES FROM THE SAME QUARTER A YEAR EARLIER

	UNITED STATES		JAPAN	WEST GERMANY	CANADA
	PERCENT CHANGE				
	1978	1977	1977	1978	1978
QUARTER	1ST QTR.	4TH QTR.	4TH QTR.	1ST QTR.	1ST QTR.
WHEAT	-7.3 (X)	-17.3 (X)	-35.2 (I)	-3.7 (I)	-17.1 (X)
CORN	-8.0 (X)	-15.2 (X)	-32.1 (I)	-16.0 (I)	---
SOYBEANS	-15.5 (X)	-11.4 (X)	-18.7 (I)	-29.4 (I)	+100.5 (I)
SOYBEAN OIL	+5.7 (X)	-7.3 (X)	---	---	+71.4 (I)
SOYBEAN MEAL	-6.4 (X)	-.6 (X)	---	-31.1 (I)	+65.9 (I)
COTTON	-17.3 (X)	-12.1 (X)	-11.2 (I)	-29.3 (I)	+45.9 (I)
TOBACCO	+17.3 (X)	+20.1 (X)	---	-3.1 (I)	+27.9 (X)
RICE	+25.3 (X)	+17.2 (X)	---	+30.8 (I)	-8.5 (I)
COFFEE	+4.0 (I)	+31.5 (I)	+39.4 (I)	-24.1 (I)	+194.8 (I)
SUGAR	+10.2 (I)	-10.7 (I)	-33.8 (I)	-10.8 (I)	-44.5 (I)
COCOA BEANS	+62.5 (I)	+129.0 (I)	+48.3 (I)	-33.2 (I)	+123.1 (I)
BEEF	+2.0 (I)	-2.0 (I)	+17.0 (I)	+8.1 (I)	-3.1 (X)
NATURAL RUBBER	+9.0 (I)	+4.3 (I)	-10.2 (I)	-7.8 (I)	-31.0 (I)
EXPORT UNIT VALUE INDEX	-9.0	-4.8	0	0	+1.7
IMPORT UNIT VALUE INDEX	+10.9	+6.8	0	-10.5	+15.0

I = IMPORT, UNIT VALUE

X = EXPORT, UNIT VALUE

TABLE 12.--THE FOOD COMPONENT OF THE CONSUMER PRICE INDEX IN SELECTED COUNTRIES

	1972	1973	1974	1975	1976	1977	1976 III	1976 IV	1977 I	1977 II	1977 III	1977 IV
	1970=100											
ARGENTINA	231	359	413	1187	6632	0	7279	9802	13150	15689	19819	0
AUSTRALIA	108	124	143	154	173	193	174	181	184	190	0	0
AUSTRIA	110	116	128	136	144	154	146	146	151	153	156	158
BANGLADESH	148	217	366	443	357	0	366	359	400	438	484	0
BELGIUM	109	117	128	143	160	169	160	164	168	167	170	172
BRAZIL	100	120	154	199	238	0	298	328	365	383	0	0
CAMEROUN	114	123	146	171	186	0	188	193	203	216	0	0
CANADA	109	125	145	164	168	182	169	168	173	179	186	191
COLOMBIA	128	169	215	281	329	0	334	364	386	473	476	0
CZECHOSLOVAKIA	99	100	100	100	100	0	102	102	101	101	103	0
DENMARK	116	131	147	163	181	202	181	191	193	198	204	213
ECUADOR	118	142	188	223	245	0	244	268	271	272	288	0
EGYPT	106	140	135	152	174	0	176	183	185	197	207	0
ETHIOPIA	88	99	108	113	160	186	168	176	169	177	203	197
FRANCE	115	126	141	158	175	195	174	180	185	193	199	203
GERMANY, WEST	110	118	124	130	137	144	137	137	142	145	145	143
GREECE	109	133	169	189	215	246	209	221	236	246	242	259
INDIA	108	131	171	179	156	0	158	162	164	169	176	177
INDONESIA	113	162	229	277	338	0	345	352	359	367	379	0
IRAN	116	124	144	161	172	0	168	176	195	211	204	0
IRELAND	120	140	160	195	227	264	226	243	251	263	271	271
ISRAEL	123	149	215	314	402	570	408	458	491	530	580	679
ITALY	111	124	146	172	202	0	204	217	228	236	245	252
JAPAN	110	124	159	180	196	209	196	200	206	209	210	211
JORDAN	118	140	189	219	267	384	248	269	353	407	395	381
KOREA	135	138	178	233	274	306	286	282	291	298	318	316
LIBERIA	91	118	149	172	172	0	174	172	183	0	0	0
MALAWI	116	124	144	172	176	0	169	174	172	173	178	0
MALAYSIA	105	121	154	159	162	0	162	164	169	168	172	0
MEXICO	109	126	164	184	208	0	205	228	250	263	273	0
MOZAMBIQUE	130	127	155	174	188	0	185	195	231	0	0	0
NETHERLANDS	111	120	129	139	153	163	154	158	159	163	165	165
NEW ZEALAND	114	127	142	157	186	218	190	196	205	212	223	229
NIGER	123	144	148	160	201	0	208	229	239	233	0	0
NIGERIA	126	120	150	214	268	0	266	275	304	350	397	0
PAKISTAN	105	131	171	209	222	247	224	235	246	244	248	249
PARAGUAY	121	147	183	192	200	222	196	202	220	223	220	226
PERU	115	126	150	199	263	0	282	301	329	351	392	0
PHILIPPINES	157	182	244	247	281	0	286	291	296	304	318	324
PORTUGAL	120	131	173	214	164	345	263	294	323	360	347	352
SOUTH AFRICA	112	129	149	171	184	0	196	190	196	199	206	0
SPAIN	118	132	152	177	211	261	216	224	235	245	277	284
SRI LANKA	108	122	139	150	148	149	147	147	148	150	149	148
SWEDEN	119	126	134	150	169	193	172	173	181	190	200	202
THAILAND	101	122	157	164	173	0	172	178	183	190	198	0
TURKEY	127	152	181	235	277	294	280	296	309	337	381	417
UNITED KINGDOM	121	139	164	206	247	167	246	267	286	296	297	299
UNITED STATES	108	123	141	153	157	0	158	158	162	167	170	170
URUGUAY	241	489	844	1442	2128	0	2276	2507	2857	3287	3749	0
VENEZUELA	109	117	132	151	164	0	167	171	174	182	189	192
YUGOSLAVIA	139	169	196	244	283	0	274	293	329	339	327	333
ZAIRE	133	155	200	261	0	0	0	0	0	0	0	0
ZAMBIA	112	119	103	145	177	0	181	192	198	206	212	0

1/ 1972=100.
SOURCE: INTERNATIONAL LABOR OFFICE, BULLETIN OF LABOR STATISTICS.

TABLE 13--CONSUMER PRICES FOR FOOD, CHANGES IN 1977 FROM THE SAME QUARTER A YEAR EARLIER

COUNTRY	QUARTER	PERCENT CHANGE
ARGENTINA	III	172.3
AUSTRALIA	III	-
AUSTRIA	IV	8.2
BANGLADESH	III	32.2
BELGIUM	IV	4.9
BRAZIL	III	-
CAMEROON	III	-
CANADA	IV	13.7
COLOMBIA	III	42.5
CZECHOSLOVAKIA	III	1.0
DENMARK	IV	63.9
ECUADOR	III	18.0
EGYPT	III	17.0
ETHIOPIA	IV	11.9
FRANCE	IV	12.0
GERMANY, WEST	IV	4.4
GREECE	IV	17.2
INDIA	IV	9.3
INDONESIA	III	9.9
IRAN	III	21.4
IRELAND	IV	11.5
ISRAEL	IV	48.3
ITALY	IV	16.1
JAPAN	IV	5.5
JORDAN	IV	41.0
KOREA	IV	12.1
LIBERIA	III	-
MALAWI	III	5.3
MALAYSIA	III	6.2
MEXICO	III	33.2
MOZAMBIQUE	III	-
NETHERLANDS	IV	4.4
NEW ZEALAND	IV	16.6
NIGER	III	-
NIGERIA	III	49.2
PAKISTAN	IV	6.0
PARAGUAY	IV	11.9
PERU	III	39.0
PHILIPPINES	IV	11.3
PORTUGAL	IV	19.7
SOUTH AFRICA	III	5.1
SPAIN	IV	26.6
SRI LANKA	IV	0.7
SWEDEN	IV	16.6
THAILAND	III	15.1
TURKEY	IV	40.9
UNITED KINGDOM	IV	12.0
UNITED STATES	IV	7.6
URUGUAY	III	64.7
VENEZUELA	IV	12.3
YUGOSLAVIA	IV	13.7
ZAIRE	III	-
ZAMBIA	III	17.1

Table 14: Selected world grain prices

Year July-June	U.S. No. 2 Hard Winter Wheat 13½% 1/	U.S. No. 3 Yellow Corn 1/	Thailand Long Grain White Rice 2/
	U.S. Dollars Per M.T.		
1970/71	71.20	69.10	133.00
71/72	66.70	57.00	133.00
72/73	92.50	77.10	174.00
73/74	200.35	132.90	584.00
74/75	189.80	144.80	439.00
75/76	177.50	128.80	294.00
76/77	138.00	119.50	257.00
1977			
July	116.15	95.75	272.00
August	115.85	87.20	275.00
September	120.40	87.95	275.00
October	126.00	91.20	278.00
November	134.85	104.50	294.00
December	136.55	108.10	324.00
1978			
January	133.55	108.70	338.00
February	132.40	111.00	374.00
March	139.40	116.10	396.00
April	150.80	129.00	411.00
May	146.10	127.00	409.00
June 16	154.00	123.00	406.00

1/ C.i.f. Rotterdam
2/ F.o.b. Bangkok 5% Brokens

Table 15--World total grain production, consumption and net exports

	1960/61-62/63			1969/70-71/72			1976/77			1977/78 2/		
	Pro-duction	Con-sumption	Net Exports	Pro-duction	Con-sumption	Net Exports	Pro-duction	Con-sumption	Net Exports	Pro-duction	Con-sumption	Net Exports
	Million metric tons											
Developed Countries	317.6	301.9	20.2	404.0	377.6	31.4	467.5	377.7	58.5	478.4	389.9	72.5
United States	168.3	139.8	32.7	208.7	168.9	39.3	256.0	153.4	77.5	260.3	161.5	82.9
Canada	23.8	15.1	9.7	34.4	22.1	14.9	44.7	21.9	17.1	41.8	22.6	18.7
EC-9	71.5	92.0	-21.5	94.2	111.5	-16.6	91.8	113.9	-21.6	104.6	115.9	-12.4
Other Western Europe	20.7	24.9	-4.3	28.9	33.7	-4.9	33.4	42.0	-8.3	32.1	42.0	-9.1
South Africa	7.0	4.7	2.2	10.1	7.1	2.5	12.4	8.8	2.7	12.2	9.1	3.7
Japan	15.6	21.0	-5.3	12.7	27.9	-14.4	11.2	31.8	-21.5	12.4	32.8	-21.9
Oceania	10.8	4.4	-6.6	15.0	6.3	10.7	18.1	5.9	12.5	15.0	6.0	10.6
Centrally Planned Countries	292.3	295.8	-3.2	408.7	423.1	-5.8	506.1	510.5	-22.3	474.7	516.4	-34.2
Eastern Europe	57.6	64.4	-6.5	75.0	82.0	-6.7	94.3	104.9	-12.7	93.9	103.7	-9.4
U.S.S.R.	126.3	119.0	7.3	167.4	171.7	4.0	213.2	204.5	-7.3	186.0	210.3	-17.3
People's Republic of China	108.3	112.4	-4.0	166.2	169.3	-3.1	198.7	201.1	-2.4	194.9	202.4	-7.5
Developing Countries	241.1	252.8	-12.8	315.1	335.0	-21.1	377.3	394.6	-28.2	362.8	403.6	-40.5
Middle America	9.7	10.4	-.9	15.8	17.0	-1.0	20.1	23.7	-3.7	19.6	24.6	-4.6
Venezuela	.5	.9	-.4	.8	1.8	-.9	.8	2.7	-1.9	1.5	3.0	-1.4
Brazil	13.8	15.7	-1.8	20.4	22.0	-.8	27.8	28.9	-1.2	22.2	28.6	-5.2
Argentina	13.2	8.3	5.2	19.4	11.2	8.0	28.1	11.6	15.9	22.3	11.2	11.9
Other South America	5.6	6.7	-1.0	6.8	8.9	-2.1	8.2	10.6	-2.5	7.6	11.0	-3.4
North Africa/Middle East	32.3	37.6	-5.6	40.6	49.9	-9.4	54.2	65.5	-15.8	47.7	65.2	-17.2
Central Africa	19.0	19.8	-.8	22.3	24.1	-1.8	22.0	25.1	-3.3	22.1	25.8	-3.9
East Africa	7.4	7.3	.1	9.6	9.8	-.3	10.4	10.3	-.1	10.5	10.9	-.3
South Asia	92.1	97.4	-6.2	119.1	123.4	-5.5	134.1	136.5	-6.5	140.7	141.4	-2.7
Southeast Asia	17.3	13.4	3.9	22.9	19.8	3.3	21.7	16.7	5.6	19.7	16.6	3.1
East Asia	23.7	27.8	-4.3	30.4	37.9	-8.2	36.3	46.9	-12.4	35.7	49.1	-13.5
Rest of World	6.5	7.5	-.9	6.9	9.2	-2.3	13.7	16.0	-2.4	13.1	16.3	-3.2
Total above	850.9	850.5	---	1127.8	1135.7	---	1350.9	1282.8	---	1316.0	1310.0	---
World total 1/	850.9	850.5	---	1127.8	1135.7	---	1350.6	1290.2	---	1316.2	1313.7	---

1/ World Totals taken from the May issue of the Foreign Agricultural Circular on Grains
2/ Preliminary
3/ Forecast

Table 16--World wheat production, consumption and net exports

	1960/61-62/63			1969/70-71/72			1976/77			1977/78 2/		
	Pro-duction	Con-sumption	Net Exports	Pro-duction	Con-sumption	Net Exports	Pro-duction	Con-sumption	Net Exports	Pro-duction	Con-sumption	Net Exports
	Million metric tons											
Developed Countries	94.2	74.3	21.3	112.0	87.8	28.3	147.5	85.9	44.3	134.6	88.9	47.2
United States	33.4	16.3	18.1	40.0	21.9	17.4	58.3	20.7	25.5	55.1	23.0	29.6
Canada	12.4	4.0	9.5	13.9	4.7	11.7	23.6	5.1	13.4	19.7	5.6	16.0
EC-9	29.8	36.0	-7.1	36.9	40.9	-3.5	39.5	39.0	1.1	38.7	39.7	-.9
Other Western Europe	8.5	10.5	-2.1	9.9	10.7	-.8	11.6	10.6	.2	9.2	10.2	-.3
South Africa	.8	.9	-.1	1.5	1.3	-.1	2.2	1.7	.2	1.8	1.7	.1
Japan	1.6	4.2	-2.7	.6	5.3	-4.7	.2	5.7	-5.5	.2	5.7	-5.6
Oceania	7.7	2.4	5.7	9.3	3.0	8.3	12.1	3.2	9.5	9.7	3.0	8.3
Centrally Planned Countries	103.1	107.9	-4.2	148.8	160.2	-3.2	176.5	175.5	-11.8	167.0	187.5	-18.3
Eastern Europe	16.9	22.5	-5.3	26.3	30.6	-4.1	34.7	39.0	-5.2	34.4	37.3	-2.7
U.S.S.R.	67.2	62.5	5.0	92.8	96.0	4.8	96.9	88.4	-3.5	92.0	101.0	-7.0
People's Republic of China	19.0	22.8	-3.8	29.7	33.6	-3.9	45.0	48.1	-3.1	40.5	49.1	-8.6
Developing Countries	43.1	57.9	-15.4	63.9	87.1	-24.3	91.6	110.8	-28.5	80.0	115.0	-34.0
Middle America	1.4	1.9	-.6	2.1	2.9	-.8	3.4	4.1	-.9	2.4	4.2	-1.8
Venezuela	---	.3	-.3	---	.7	-.7	---	.7	-.7	---	.8	-.8
Brazil	.3	2.4	-2.1	1.6	3.6	-1.8	3.0	5.9	-2.9	2.0	6.5	-4.5
Argentina	5.1	3.5	1.9	5.9	4.4	1.6	11.0	4.4	5.9	5.2	4.4	1.6
Other South America	1.9	3.0	-1.1	1.9	3.8	-1.8	2.1	4.2	-2.2	1.3	4.6	-3.1
North Africa/Middle East	15.7	20.4	-4.9	20.6	28.5	-8.3	29.7	37.9	-11.4	26.4	38.1	-12.4
Central Africa	.7	1.1	-.4	.9	2.0	-1.2	.5	2.4	-2.0	.5	2.5	-2.0
East Africa	.1	.3	-.2	.3	.6	-.2	.3	.7	-.3	.3	.7	-.4
South Asia	17.5	22.1	-5.1	30.1	33.7	-4.8	41.1	43.1	-6.8	41.4	45.2	-2.9
Southeast Asia	.1	.2	-.2	.1	.4	-.4	.1	.2	-.2	.1	.3	-.2
East Asia	.2	2.0	-1.8	.2	4.2	-4.1	.1	4.7	-5.0	.1	4.8	-4.8
Rest of World	.2	.8	-.6	.3	2.2	-1.9	.4	2.3	-1.9	.4	3.0	-2.6
Total above	240.3	240.1	---	324.7	335.1	---	415.6	372.2	---	381.6	391.4	---
World total 1/	240.3	240.1	---	324.6	335.7	---	415.6	376.2	---	381.6	391.6	---

1/ World Totals taken from the May issue of the Foreign Agricultural Circular on Grains
2/ Preliminary
3/ Forecast

Table 17--World coarse grain production, consumption and net exports

	1960/61-62/63			1969/70-71/72			1976/77			1977/78 2/		
	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports
	Million metric tons											
Developed Countries	208.8	213.4	-1.6	276.5	275.6	1.0	304.1	277.9	12.4	327.4	287.2	23.4
United States	133.0	122.5	13.6	165.8	145.7	20.2	193.9	131.2	50.0	201.9	137.1	51.0
Canada	11.4	11.1	.3	20.5	17.4	3.2	21.1	16.8	3.7	22.1	16,9	2.7
EC-9	41.1	55.2	-14.1	56.7	69.9	-13.0	51,6	73,9	-22.2	65.3	75.1	-10.9
Other Western Europe	11.9	14.0	-2.2	18.6	22.5	-4.1	21.5	30.9	-8.4	22.4	31.3	-8.7
South Africa	6.2	3.7	2.4	8.7	5.7	2.6	10.1	7.0	2.6	10.4	7.3	3.7
Japan	2.3	4.8	-2.4	.7	11.1	-10.3	.2	15.5	-16.0	.2	16.5	-16.4
Oceania	2.9	2.0	.9	5.4	3.2	2.3	5.6	2.7	2.8	5.0	2.9	2.0
Centrally Planned Countries	137.1	136.0	.7	185.1	188.5	-3.0	242.8	248.4	-10.6	220.2	242.0	-16.6
Eastern Europe	40.6	41.6	-1.0	48.6	51.1	-2.4	59.5	65.6	-7.2	59.3	66.0	-6.4
U.S.S.R.	59.0	56.2	2.5	73.8	74.7	-.5	115.0	114.5	-3.5	92.5	107.5	-10.0
People's Republic of China	37.5	38.2	-.7	62.6	62.7	-.1	68.4	68.3	.1	68.4	68.6	-.2
Developing Countries	102.4	99.2	2.7	131.7	126.9	5.1	153.0	149.4	.7	142.6	149.4	-3.5
Middle America	7.8	8.0	-.3	13.0	13.2	-.1	15.8	18.5	-2.7	16.3	19.2	-2.7
Venezuela	.5	.5	-.1	.7	.9	-.3	.7	1.8	-1.1	1.1	1.8	-.7
Brazil	9.8	9.6	.2	14.6	14.4	.9	19.4	17.6	1.3	14.9	16.4	-.8
Argentina	7.9	4.7	3.3	13.3	6.7	6.3	16.9	7.0	9.8	17.9	6.8	11.1
Other South America	2.8	2.9	-.1	3.5	3.9	-.4	4.0	4.6	-.6	4.3	4.5	-.5
North Africa/Middle East	14.9	15.4	-.6	17.2	18.6	-1.2	21.9	23.9	-3.2	18.7	23.4	-3.7
Central Africa	16.3	16.3	---	18.8	18.8	-.1	18.4	18.8	-.4	18.5	19.1	-.5
East Africa	7.1	6.9	.2	9.1	9.0	-.1	9.8	9.2	.3	9.9	9.7	.2
South Asia	27.3	27.0	-.1	30.9	31.0	-.1	33.0	31.9	---	30.7	31.8	---
Southeast Asia	.9	.2	.7	2.3	.6	1.8	3.3	1.0	2.3	2.3	1.3	1.0
East Asia	5.2	5.6	-.5	6.4	7.7	-1.6	7.4	12.4	-5.0	6.3	12.5	-5.8
Rest of World	2.1	2.2	-.1	1.8	2.0	-.2	2.7	2.8	-.1	2.5	2.8	-.3
Total above	448.3	448.6	---	593.2	591.0	---	700.0	675.7	---	690.1	678.7	---
World total 1/	448.3	448.6	---	593.2	594.1	---	699.6	677.8	---	690.2	681.5	---

1/ World Totals taken from the May issue of the Foreign Agricultural Circular on Grains
2/ Preliminary
3/ Forecast

Table 18--World milled rice production, consumption and net exports

	1960/61-62/63			1969/70-71/72			1976/77			1977/78 2/		
	Pro-duction	Con-sumption	Net Exports	Pro-duction	Con-sumption	Net Exports	Pro-duction	Con-sumption	Net Exports	Pro-duction	Con-sumption	Net Exports
	Million metric tons											
Developed Countries	14.53	14.23	.54	15.52	14.21	2.11	15.91	13.91	1.69	16.46	13.80	1.84
United States	1.88	.95	.98	2.88	1.27	1.66	3.78	1.55	2.11	3.24	1.49	2.22
Canada	---	.04	-.04	---	.05	-.05	---	.07	-.07	---	.07	-.07
EC-9	.55	.75	-.21	.66	.74	-.07	.65	1.04	-.39	.55	1.06	-.53
Other Western Europe	.40	.43	-.04	.43	.47	-.04	.39	.51	-.13	.40	.53	-.08
South Africa	---	.04	-.04	---	.07	-.07	---	.09	-.09	---	.09	-.09
Japan	11.61	11.97	-.16	11.40	11.54	.54	10.71	10.60	-.02	11.92	10.51	.08
Oceania	.09	.04	.05	.19	.07	.14	.38	.06	.29	.35	.06	.30
Centrally Planned Countries	52.08	51.86	.22	74.86	74.43	.44	86.76	86.62	.12	87.58	86.87	.70
Eastern Europe	.08	.25	-.16	.14	.37	-.22	.12	.36	-.25	.13	.39	-.28
U.S.S.R.	.15	.33	-.18	.83	1.10	-.28	1.30	1.63	-.33	1.43	1.76	-.33
People's Republic of China	51.84	51.28	.55	73.89	72.96	.94	85.34	84.64	.70	86.02	84.72	1.30
Developing Countries	95.60	95.68	-.09	119.45	120.96	-1.80	132.71	134.34	-.44	140.28	139.17	-2.94
Middle America	.50	.54	-.04	.71	.81	-.09	.85	1.12	-.13	.95	1.13	-.15
Venezuela	.06	.06	-.01	.13	.11	.02	.18	.25	-.10	.33	.34	.05
Brazil	3.78	3.72	.07	4.12	4.00	.09	5.44	5.32	.39	5.10	5.47	.03
Argentina	.11	.09	.02	.21	.15	.07	.21	.08	.16	.22	.09	.14
Other South America	.97	.87	.10	1.41	1.28	.10	2.13	1.78	.32	2.05	1.87	.23
North Africa/Middle East	1.74	1.80	-.06	2.81	2.76	.04	2.67	3.73	-1.11	2.58	3.74	-1.07
Central Africa	2.08	2.44	-.36	2.73	3.26	-.54	3.10	4.00	-.93	3.06	4.28	-1.36
East Africa	.15	.15	-.01	.19	.20	-.01	.34	.39	-.05	.35	.43	-.09
South Asia	47.31	48.27	-.96	58.05	58.63	-.65	60.03	61.49	.24	68.64	64.37	.16
Southeast Asia	16.40	13.01	3.39	20.52	18.79	1.91	18.35	15.39	3.45	17.32	15.08	2.24
East Asia	18.25	20.27	-2.02	23.80	25.99	-2.53	28.75	29.82	-2.38	29.38	31.85	-2.91
Rest of World	4.25	4.45	-.20	4.76	4.98	-.22	10.66	10.97	-.31	10.32	10.53	-.21
Total above	162.20	161.77	---	209.86	209.59	---	235.39	234.87	---	244.31	239.83	---
World total 1/	162.20	161.77	---	209.86	209.59	---	235.40	236.20	---	244.40	240.60	---

1/ World Totals taken from the May issue of the Foreign Agricultural Circular on Grains
2/ Preliminary
3/ Forecast

Table 19--World, production, trade, disappearance of oilseed and fishmeals, 1974-1977, and forecast 1978 1/ 2/ 3/

Region	1974			1975			1976 4/			1977			1978		
	Production 6/	Net exports 7/	Disappearance 8/	Production 6/	Net exports 7/	Disappearance 8/	Production 6/	Net exports 7/	Disappearance 8/	Production 6/	Net exports 7/	Disappearance 8/	Production 6/	Net export 7/	Disappearance 8/
Developed															
United States 9/	34.1	16.4	14.3	27.1	14.1	12.9	33.5	17.4	15.4	28.0	17.1	14.3	37.3	20.0	16.5
Canada	1.1	.1	1.0	1.0	-.1	1.1	1.2	-.2	1.4	.7	-.1	.8	1.3	-.1	1.4
EC-9	1.2	-13.1	14.3	1.2	-12.2	13.4	1.1	-13.7	14.8	.9	-14.5	15.4	1.2	-15.2	16.4
Other Western Europe	1.1	-2.3	3.4	1.2	-2.6	3.8	1.1	-3.2	4.3	1.1	-3.1	4.2	1.2	-3.2	4.4
Japan	1.2	-3.4	4.6	1.2	-3.1	4.3	1.2	-3.8	5.0	1.2	-4.0	5.2	1.3	-4.4	5.7
Australia/New Zealand	.1	-.1	.2	.2	---	.2	.3	---	.3	.2	-.1	.3	.2	-.1	.3
South Africa	.7	.1	.6	.7	.2	.5	.6	.2	.4	.7	---	.7	.7	---	.7
Total	39.5	-2.3	38.4	32.7	-3.7	36.0	39.0	-3.3	41.2	32.8	-4.7	39.9	43.2	-3.0	43.1
Centrally Planned															
Eastern Europe	1.2	-4.4	5.6	1.3	-4.3	5.6	1.3	-4.5	5.8	1.1	-5.0	6.1	1.3	-5.2	6.5
U.S.S.R.	4.6	-.1	4.7	4.8	-.4	5.2	4.5	-1.5	6.0	4.6	-1.1	5.7	4.7	-.9	5.6
People's Republic of China	4.4	-.6	5.0	4.9	-.3	5.2	5.9	.1	5.8	5.7	-.2	5.9	5.9	-.1	6.0
Total	10.2	-5.1	15.3	11.1	-5.0	16.0	11.7	-6.1	17.7	11.4	-6.3	18.3	11.9	-6.2	18.0
Developing															
Mexico/Central America	.9	-.4	1.3	.9	---	.9	1.0	-.4	1.4	.7	-.6	1.3	.9	-.7	1.6
Brazil	6.4	4.2	2.2	7.8	5.6	2.2	8.8	7.3	1.5	9.9	7.1	2.8	8.3	6.0	2.3
Argentina	1.2	.5	.7	1.3	.6	.7	1.3	1.1	.2	2.0	1.8	.2	2.5	2.2	.3
Other South America	2.0	.9	1.1	1.8	1.3	.5	1.8	1.3	.5	1.2	.7	.5	1.3	.7	.6
North Africa	.8	.1	.7	.8	.3	.5	.7	.3	.4	.8	.2	.6	.9	.2	.7
Central Africa	1.6	.7	.9	1.8	.9	.9	1.8	.8	1.0	1.7	.8	.9	1.7	.7	1.0
West Asia	.8	-.1	.9	.8	-.1	.9	.8	-.3	1.1	.8	-.3	1.1	.9	-.3	1.2
South Asia	4.1	1.0	3.1	3.9	-.9	4.8	4.4	1.8	2.6	3.9	1.2	2.7	4.0	1.3	2.7
Southeast Asia	.3	.1	.2	.3	.1	.2	.3	---	.3	.3	.1	.2	.3	.1	.2
East Asia	1.0	.1	.9	1.0	---	1.0	1.1	---	1.1	1.0	---	1.0	1.1	---	1.1
Total	19.2	7.1	12.0	20.5	9.6	10.4	22.0	11.9	10.4	22.1	11.0	11.3	21.9	10.0	11.7
World	68.9		65.7	64.3		62.4	72.7		69.3	66.5		69.5	77.0		72.8

1/ Includes soybeans, peanuts, cottonseed, rapeseed, sunflowerseed, flaxseed, copra, palm kernels, sesameseed, and fishmeal on a 44 percent soybean meal equivalent basis.
2/ Totals may not add due to rounding.
3/ Production and export data FAS, O&P.
4/ Preliminary.
5/ Forecast.
6/ Meal production from domestically produced seed.
7/ Includes 44 percent soybean meal equivalent of imported seed.
8/ Disappearance equals production minus exports.
9/ U.S. disappearance estimates include the effect of stock variations and are largely based on crop year estimates.

Table 20--World edible vegetable oil production, trade and disappearance for 1974-77 and forecast 1978 1/ 2/ 3/

Region	1974			1975			1976 4/			1977 4/			1978 5/		
	Production 6/	Net exports 7/	Disappearance 8/	Production 6/	Net exports 7/	Disappearance 8/	Production 6/	Net exports 7/	Disappearance 8/	Production 6/	Net exports 7/	Disappearance 8/	Production 6/	Net exports 7/	Disappearance 8/
	Million metric tons														
Developed															
United States 9/	8.3	3.3	4.6	6.7	2.1	4.4	8.2	2.6	5.6	7.0	2.8	5.0	9.6	3.4	5.3
Canada	.5	.1	.4	.5	---	.5	.7	.1	.6	.3	---	.3	.7	.1	.6
EC-9	.9	-3.2	4.1	1.1	-3.2	4.3	.9	-3.7	4.6	.8	-3.7	4.5	.9	-3.8	4.7
Other West Europe	1.0	-.5	1.5	1.1	-.7	1.8	1.2	-.6	1.8	1.2	-.6	1.8	1.2	-.7	1.9
Japan	---	-1.0	1.0	---	-1.1	1.1	---	-1.2	1.2	---	-1.2	1.2	---	-1.4	1.4
Australia/New Zealand	.1	-.1	.2	.1	-.1	.2	.1	-.1	.2	.1	-.1	.2	.1	-.1	.2
South Africa	.2	---	.2	.2	---	.2	.2	---	.2	.1	---	.1	.2	---	.2
Total	11.1		10.1	9.8		12.6	11.3		14.3	9.5		13.1	12.7		14.3
Central Planned															
East Europe	1.1	-.1	1.2	1.1	-.2	1.3	1.1	-.1	1.2	1.1	---	1.1	1.2	---	1.2
U.S.S.R.	3.6	.5	3.1	3.2	.3	2.9	2.7	-.2	2.9	2.8	-.1	2.9	3.2	-.2	3.4
Peoples Rep. China	1.7	-.1	1.8	1.9	-.1	2.0	1.9	-.1	2.0	1.9	---	1.9	1.9	-.1	2.0
Total	6.3		6.1	6.3		6.3	5.7		6.2	5.8		5.9	6.3		6.6
Developing															
Mexico/Central America	.6	-.3	.9	.6	-.1	.7	.6	-.1	.7	.4	-.2	.6	.4	-.2	.6
Brazil	1.8	.5	1.3	2.1	1.0	1.1	2.3	1.3	1.0	2.5	1.4	1.1	2.1	.9	1.2
Argentina	.5	.1	.4	.5	---	.5	.6	.2	.4	.6	.2	.4	.8	.3	.5
Other South America	.3	-.2	.5	.4	-.2	.6	.4	-.3	.7	.4	-.2	.6	.4	-.2	.6
North Africa	.6	-.3	.9	.7	-.4	1.1	.8	-.3	1.1	.8	-.1	.9	.7	-.2	.9
Central Africa	2.4	.8	1.6	2.4	.8	1.6	2.5	.7	1.8	2.5	.4	2.1	2.5	.4	2.1
East Asia	3.7	1.4	2.3	4.0	2.5	1.5	4.8	3.1	1.7	4.9	3.2	1.7	5.0	3.3	1.7
South Asia	2.6	-.3	2.9	2.6	-.2	2.8	3.0	-.4	3.4	2.6	-.7	3.3	2.8	-.7	3.5
South East Asia	.2	---	.2	.2	---	.2	.2	---	.2	.2	---	.2	.3	---	.3
West Asia	.7	-.4	1.1	.7	-.5	1.2	.7	-.6	1.3	.6	-.6	1.2	.7	-.8	1.5
Total	13.5		12.1	14.3		11.4	16.0		12.4	16.3		11.6	15.8		13.0
World	30.9		28.3	30.4		30.3	33.2		32.9	30.9		30.6	34.8		33.9

1/ Includes soybeans, peanuts, cottonseed, sunflower, rapeseed, sesame, palm, olive, palm kernels, coconut, safflower, corn and babassu oils on an oil equivalent basis.
2/ Production and export data FAS, O & P.
3/ Totals may not add due to rounding.
4/ Preliminary.
5/ Forecast.
6/ Crushed from domestically produced seed.
7/ Includes oil equivalent of imported seed.
8/ Disappearance equals production minus exports.
9/ U.S. disappearance estimates includes the effect of stock changes and are largely based on a crop year.

Table 21--Monthly prices of selected oilseeds, meals, and oils, 1977, 1978 1/ 2/

Commodity	Year	Port	January	February	March	April	May	June	July	August	September	October	November	December	Annual Average
									$/M.T.						
Soybeans	1977	Rotterdam	287	293	328	384	371	326	252	230	205	209	236	241	280
	1978	Rotterdam	239	239	273	290									
Soybean meal	1977	Rotterdam	251	248	272	316	298	253	193	174	174	179	200	200	230
	1978	Rotterdam	200	188	215	224									
Soybean oil	1977	Decatur	455	493	584	653	687	630	522	464	421	410	461	500	498
	1978	Decatur	460	477	587	600									
Copra	1977	N.W. Europe	377	396	510	526	502	433	365	318	325	333	355	388	402
	1978	N.W. Europe	380	397	435	405									
Coconut meal	1977	Hamburg	198	187	176	198	185	182	174	171	162	164	172	177	179
	1978	Hamburg	170	162	163	166									
Coconut oil	1977	N.W. Europe	546	576	735	793	718	620	513	451	463	479	505	539	578
	1978	N.W. Europe	541	561	650	600									
Peanuts	1977	UK	529	547	555	582	606	635	3/ n.q.	540	480	468	492	544	543
	1978	UK	562	558	557	635									
Peanut oil	1977	Rotterdam	849	856	871	881	897	848	804	807	773	794	852	917	846
	1978	Rotterdam	956	910	1,020	1,127									
Rapeseed	1977	N.W. Europe	293	306	326	372	374	342	290	266	279	292	303	302	312
	1978	N.W. Europe	294	298	319	330									
Fishmeal	1977	Hamburg	467	452	442	484	506	477	447	382	408	456	462	464	454
	1978	Hamburg	452	434	434	416									
Palm oil	1977	N.W. Europe	462	507	598	647	659	619	520	493	460	450	445	501	530
	1978	N.W. Europe	514	558	598	603									

1/ All prices c.i.f. European ports except soybean oil which is f.o.b. Decatur.
2/ Source: Oil World; various issues.
3/ No quote.

Table 22--World centrifugal sugar production by regions and major countries, average 1969/70-1971/72 and annual 1975/87-1977/78

Country and region	Production			
	1969/70-71/72	1975/76	1976/77	1977/78
North America	17,516	19,202	18,786	18,778
Canada	127	141	165	150
United States 1/	5,587	6,535	6,233	5,730
Cuba	6,382	6,200	6,100	6,300
Dominican Republic	1,073	1,249	1,220	1,315
Mexico	2,466	2,698	2,697	2,890
Other North America	1,881	3,612	3,719	3,915
South America	9,133	11,318	12,729	13,639
Argentina	956	1,349	1,592	1,690
Brazil	5,119	6,200	7,500	8,600
Other South America	3,058	3,836	3,689	3,783
Western Europe	11,074	12,377	13,147	14,643
EC-9	9,318	10,189	10,478	12,124
Other Western Europe	1,756	2,197	2,721	2,632
Eastern Europe	4,232	4,930	5,269	5,770
USSR	8,592	7,700	7,350	8,825
Africa	4,729	5,427	6,031	6,125
South Africa Republic	1,637	1,802	2,042	2,084
Asia	12,781	17,662	19,738	19,160
China, People's Republic	1,957	2,550	2,600	2,550
India	4,113	5,464	6,043	7,000
Japan	485	471	565	615
Philippines	1,951	2,875	2,680	2,325
Oceania	2,813	3,272	3,712	3,809
Australia	2,467	2,988	3,405	3,440
World Total	70,908	81,888	86,762	90,749

SOURCE: Foreign Agricultural Service

1/ Includes Hawaii and Puerto Rico.

Table 23--World coffee production and exportable production

	Production					Exportable production 1/				
	Average 1969/70-71/72	1975/76	1976/77	1977/78 2/	1978/79 3/	Average 1969/70-71/72	1975/76	1976/77	1977/78 2/	1978/79 3/
	1,000 bags (60 kg. each)									
Latin America	40,552	48,975	35,635	44,991	48,792	25,955	34,801	23,006	31,182	34,342
Mexico	3,225	4,200	3,650	3,750	4,000	1,696	2,660	2,400	2,250	2,500
Guatemala	1,897	2,149	2,534	2,250	2,500	1,648	1,859	2,236	1,950	2,200
El Salvador	2,423	2,328	2,700	2,000	2,700	2,268	2,158	2,525	1,820	2,515
Brazil	17,450	23,000	9,300	17,500	20,000	8,867	15,000	2,300	10,000	12,000
Colombia	7,817	8,500	9,300	9,800	10,100	6,407	7,100	7,900	8,300	8,550
Africa	19,735	18,447	18,788	17,099	19,362	19,362	17,109	17,362	15,622	17,843
Angola	3,333	1,200	1,200	1,400	1,500	3,233	1,140	1,140	1,340	1,440
Ethiopia	2,083	1,900	2,000	1,900	1,900	1,422	1,175	1,275	1,150	1,140
Ivory Coast	4,358	5,133	4,800	3,333	5,000	4,295	5,066	4,733	3,250	4,917
Uganda	3,067	2,800	2,700	2,600	2,600	3,050	2,778	2,678	2,578	2,578
Asia and Oceania	5,209	5,771	6,179	6,485	6,460	2,646	3,589	3,929	4,196	4,155
India	1,417	1,478	1,791	2,008	2,092	960	729	941	1,141	1,209
Indonesia	2,267	2,865	2,820	2,953	2,900	1,423	1,965	1,920	2,053	2,000
World	65,496	73,193	60,602	68,575	74,614	47,105	55,499	44,299	51,000	56,340

1/ Total harvested production less estimated domestic consumption.
2/ Estimated.
3/ Forecast.

Source: Foreign Agricultural Service.

Table 24--U.S. green coffee imports by country of origin

	1974	1975	1976	1977
	1,000 bags (60 kg. each)			
Latin America	12,890	11,554	13,287	12,463	10,194
Mexico	1,092	1,324	1,662	1,869	1,406
Guatemala	777	1,096	874	749	832
El Salvador	586	1,111	1,018	1,045	1,037
Brazil	5,496	2,725	3,748	3,092	2,453
Colombia	2,558	3,090	3,400	2,688	1,951
Ecuador	460	512	694	767	505
Africa	6,446	6,376	5,697	5,708	3,405
Angola	1,409	2,396	1,202	871	49
Ethiopia	1,047	505	533	703	288
Ivory Coast	1,060	749	966	1,330	673
Uganda	922	940	958	941	966
Asia and Oceania	1,196	1,279	1,233	1,583	1,190
India	96	107	258	197	158
Indonesia	878	942	765	1,082	860
Other	3	37	70	34	18
World 1/	20,535	19,245	20,289	19,788	14,808

1/ Regional totals may not precisely add to world total because of rounding.

Source: Economics, Statistics, and Cooperatives Service.

Table 25--World cotton production, trade, and mill consumption

Country and region	Production				Exports				Imports				Consumption			
	1969/70-71/72	1975/76	1976/77	1977/78 1/	1969/70-71/72	1975/76	1976/77	1977/78 1/	1969/70-71/72	1975/76	1976/77	1977/78 1/	1969/70-71/72	1975/76	1976/77	1977/78 1/
	Million 480-lb. bales															
United States	10.2	8.3	10.6	14.4	3.4	3.3	4.8	4.5	.1	---	---	---	8.2	7.3	6.7	6.7
USSR	10.1	11.6	12.0	12.7	2.5	3.9	4.0	3.8	1.0	.6	0.5	0.4	8.2	8.7	9.1	9.1
China, People's Rep.	9.2	11.0	10.8	10.1	.1	.2	0.2	0.2	.5	.8	0.7	1.5	9.5	12.2	12.0	12.3
India	5.1	5.3	5.0	5.4	.2	.3	---	---	.7	.2	0.9	0.4	5.4	6.2	5.7	5.4
Pakistan	2.7	2.4	1.9	2.4	.7	.4	0.1	0.5	---	---	---	---	2.0	2.2	2.0	1.7
Brazil	2.8	1.8	2.5	2.1	1.5	.4	0.1	0.3	---	---	---	---	1.4	1.9	2.0	2.0
Egypt	2.4	1.8	1.8	1.8	1.4	.8	1.0	0.7	---	---	0.1	0.2	.9	1.0	1.2	1.2
Turkey	2.0	2.2	2.2	2.6	1.3	2.2	0.6	1.1	---	---	---	---	.8	1.3	1.5	1.5
Mexico	1.6	.9	1.0	1.6	1.0	.5	0.5	0.7	---	---	---	---	.7	.8	0.7	0.7
Central America	0.9	1.2	1.5	1.6	.8	1.3	1.3	1.3	---	---	---	---	.1	.2	0.2	0.2
Sudan	1.1	.4	0.7	0.8	1.0	1.0	0.6	0.7	---	---	---	---	.1	.1	0.1	0.1
EC-9	---	---	---	---	.1	.1	0.2	0.1	4.4	4.0	3.5	3.4	4.0	3.6	3.7	3.4
Eastern Europe	0.1	.1	0.1	0.1	---	---	---	---	2.7	3.5	3.3	3.4	2.9	2.9	3.0	2.7
Japan	---	---	---	---	---	.3	0.1	0.1	3.6	3.2	3.0	2.9	3.3	3.0	2.8	2.5
Hong Kong	---	---	---	---	---	---	0.1	0.1	.7	1.3	1.0	0.9	.7	1.1	0.9	0.9
Taiwan	---	---	---	---	---	---	---	---	.6	1.0	1.0	0.9	.6	.9	1.0	0.9
Korea, Rep. of	---		---	---	---	---	---	---	.5	1.0	0.8	1.1	.5	.9	1.0	1.1
Other	2.3	7.2	8.1	8.3	4.0	4.2	3.8	5.0	3.5	3.7	3.8	4.0	7.1	7.8	8.0	8.0
World Total	55.5	54.2	58.2	63.9	18.0	19.0	17.4	19.1	18.3	19.3	18.6	19.0	56.4	62.1	61.6	61.0

1/ Estimated.

SOURCE: Foreign Agricultural Service.

Table 26--Cotton stocks beginning of season 1969/70-1978/79

	World	U.S.	USSR	Foreign non-communist	Total exporters	Total importers
	Million 480-lb. bales					
1969/70-71/72	21.5	5.5	1.4	12.0	13.0	8.4
1975/76	30.0	5.7	3.3	17.3	19.8	11.2
1976/77	23.3	3.7	2.5	12.5	12.8	10.5
1977/78	20.7	2.9	1.9	11.9	11.5	9.2
1978/79	23.3	5.4	2.1	12.7	14.5	8.8

Source: Foreign Agricultural Service.

Table 27--United States cotton exports by destination, 1969/70-1977/78 1/

Country	Average 1969/70-1971/72	1974/75	1975/76	1976/77	1976/77 August-April	1977/78 August-April
	1,000 running bales					
Bangladesh	---	48	138	113	65	10
Canada	261	186	131	187	148	165
China, People's Republic	---	289	8	---	---	278
China, Republic of (Taiwan)	296	384	507	436	289	322
European Community	(306)	(316)	(112)	(263)	(228)	(228)
France	42	65	23	45	36	61
Germany, Federal Republic	56	52	11	36	31	47
Italy	75	98	53	85	77	50
United Kingdom	65	38	10	66	54	45
Other	68	63	15	31	30	25
Hong Kong	100	73	126	358	313	345
India	191	---	---	273	137	---
Indonesia	221	72	233	191	132	157
Japan	730	957	646	973	796	744
Korea	478	628	893	913	634	873
Philippines	136	111	106	88	63	59
Poland	30	22	32	8	---	21
Romania	49	44	---	17	17	27
South Vietnam	107	29	---	---	---	---
Spain	20	58	17	86	69	50
Switzerland	27	58	29	76	65	88
Thailand	102	106	71	165	128	103
Others	191	365	129	418	338	255
World	3,245	3,746	3,178	4,565	3,422	3,725

1/ Years beginning August 1.

Source: Foreign Agricultural Service.

Table 28--World leaf tobacco production in selected regions and countries, average 1969-71 and annual 1974-77

Region and Country	Average 1969-71	1974	1975	1976	1977 1/	Percent change 1976-77
	1,000 Metric tons 2/					
North America	1,065	1,190	1,241	1,231	1,154	-6
United States	819	904	992	969	877	-9
Canada	107	115	106	82	104	+27
Mexico	61	67	52	64	64	---
Other South America	79	104	91	116	109	-6
South America	341	426	498	489	521	+7
Brazil	193	226	286	276	305	+10
Argentina	60	98	97	95	90	-5
Colombia	44	41	58	39	53	+36
Other South America	44	61	57	79	75	-5
West Europe	242	262	327	352	310	-12
EC-9	134	156	180	180	162	-10
Greece	84	81	118	140	119	-15
Spain	22	22	27	29	25	-14
Other West Europe	2	3	3	3	3	---
East Europe	320	344	414	474	396	-16
Bulgaria	115	140	162	167	150	-10
Poland	82	65	102	124	94	-24
Yugoslavia	44	59	58	63	45	-29
Other East Europe	79	80	82	120	107	-11
USSR	255	313	298	303	300	-1
Asia	2,055	2,387	2,294	2,447	2,542	+4
People's Republic of China	771	984	960	970	975	+1
India	353	462	363	350	414	+18
Turkey	154	203	200	316	248	-22
Japan	160	151	166	176	173	-2
Indonesia	112	78	83	100	108	+8
Pakistan 3/	162	17	116	106	138	+30
Philippines	87	79	66	89	84	-6
South Korea	60	96	104	113	145	+28
Thailand	44	53	63	69	67	-3
Other Asia	152	4	173	158	190	+20
Africa	194	230	244	257	269	+5
Rhodesia	64	80	95	103	88	-15
South Africa	35	34	27	33	41	+24
Malawi	20	27	35	38	53	+39
Other Africa	75	89	87	83	87	+5
Oceania	20	18	20	18	19	+6
Australia	16	15	17	15	16	+7
New Zealand	4	3	3	3	3	---
World Total	2,492	5,170	5,336	5,595	5,507	-2

Note: Individual items may not precisely add to totals because of rounding.

1/ Preliminary.
2/ Farm-sales-weight.
3/ Includes Bangladesh.

Sources: Foreign Agricultural Service; Economics, Statistics, and Cooperatives Service and U.S. Agricultural Attache Tobacco Reports.

Table 29--U.S. exports of unmanufactured tobacco by major destination, average 1969-71 and annual 1973-77

Country of Destination	Average 1969-71	1974	1975	1976	1977 1/	Percent change 1976-77
	1,000 Metric Tons 2/					
Japan	18	50	37	60	61	+2
European Community	(143)	(134)	(125)	(107)	(107)	---
United Kingdom	48	43	36	33	33	---
West Germany	45	44	41	33	36	+9
Italy	10	11	14	15	18	+20
Netherlands	16	14	14	11	14	+27
Denmark	8	6	8	4	8	+100
Ireland	5	5	4	4	2	-50
Belgium-Luxembourg	7	7	4	3	5	+67
France	4	4	4	4	3	-25
Switzerland	10	10	12	11	13	+18
Egypt	1	6	5	5	12	140
Sweden	7	7	7	6	5	-17
Thailand	10	9	9	10	7	-30
Philippines	3	5	6	6	7	+17
Australia	6	9	7	5	6	+20
Taiwan	4	11	7	6	9	+50
Malaysia	4	5	3	3	6	+100
New Zealand	2	2	2	2	2	---
Sub-total	208	248	220	222	235	+6
Other countries	28	48	35	40	50	+25
World total	236	296	255	262	285	+9

Note: Individual items may not precisely add to totals because of rounding.

1/ Preliminary.
2/ Declared weight.

Sources: Foreign Agricultural Service and Economics, Statistics, and Cooperatives Service.

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